KYRGYZ BANK

MONETARY POLICY
REPORT

Q2 2026

Bishkek
August 2026

Monetary Policy Report is released by the National Bank on a quarterly basis. The objective of this Report is to inform the public about the decisions made by the National Bank in the sphere of monetary policy, which are based on analysis and forecast of the main inflation factors and assessments of the economic situation development in the external environment and in the Kyrgyz Republic.

MONETARY POLICY IN THE KYRGYZ REPUBLIC

Development and implementation of the monetary policy is carried out within the framework of the Main Directions of the Monetary Policy for the medium term[1].

The objective of the monetary policy is to achieve and maintain price stability through appropriate monetary policy.

Quantitative benchmark of the monetary policy is to keep inflation rate within 5-7 percent in the medium term.

The policy rate of the National Bank is the main instrument of the monetary policy used to achieve price stability in the country.

Regulation of the policy rate influences the short-term rates of the interbank money market, acting as a benchmark for the cost of funds, and affects the volume of aggregate demand and supply in the economy. By changing the policy rate, the National Bank gives signal to the market about tightening or easing of monetary conditions. Decisions on the policy rate are made taking into account comprehensive analysis of economic conditions in the country, assessment of external economic conditions and inflation forecasts for the medium term.

Monetary policy of the National Bank is focused on the future, as the decisions made in the field of the monetary policy affect the key macroeconomic indicators of the country with a certain lag.

Communication policy is among the main instruments of the monetary policy conducted by the National Bank. Assessment of the current and expected macroeconomic situation in the country made by the National Bank is published in the Monetary Policy Report at the beginning of the third month of each quarter.

Monetary Policy Report for Q2 2026 was approved by the Resolution of the Board of the National Bank of the Kyrgyz Republic No. 2026-П-07/42-1-(ДКП) dated August 24, 2026.

[1] Approved by the Resolution of the Board of the National Bank of the Kyrgyz Republic on December 13, 2017 (published on the website of the National Bank in the section “Functions of the Bank”).

Contents

SUMMARY

In Q2 2026, the world economy continued to show restrained dynamics amid persistent high uncertainty, geopolitical factors and the resulting restrictions on trade logistics routes. Tensions in the Middle East were a key factor of high volatility and an upward trend in prices in the world commodity and financial markets.

Growth of consumer expenditures, expansion of investment and exports were the growth factors in the US economy, meanwhile, in eurozone, positive economic growth was supported by the sectors of services and industry. In China, national economic growth slowed down slightly due to poor domestic demand, long-lasting crisis in the real estate market and high volatility in the world prices for energy carriers. In the EAEU countries, economic growth was positive: there was strong economic activity in Kazakhstan, while Russia demonstrated slowdown in economic growth. Other countries in the region, such as Uzbekistan and Tajikistan, showed rapid economic growth.

The world's leading central banks maintained cautious approach to monetary policy and adhered to relatively tight monetary conditions amid persistent inflationary risks.

The economy of the Kyrgyz Republic continued to demonstrate strong growth rates, facilitated by expansion of domestic demand and investment activity. At the end of the first half of 2026, real GDP growth amounted to 11.9 percent. The main contribution to economic growth was provided by the construction sector, industry and the services sector. Growth in real incomes of the population resulted in expansion of consumer demand.

In Q2 2026, the trade balance was shaped amid a decline in exports and positive growth in imports. As a result, the trade balance deficit amounted to USD 2,410.4 million, exceeding the same indicator for Q2 2025 by 20.5 percent. At the same time, trade turnover increased by 11.6 percent and amounted to USD 4,193.8 million.

In Q2 2026, the external factors determined inflation dynamics in the Kyrgyz Republic. External price pressure was conditioned by geopolitical instability, high prices for petroleum, oil and lubricants imported into the country, volatility in the world commodity markets, and high inflation in the trading partner countries. In turn, internal factors, including an increase in electricity and heating tariffs, fiscalization of procedures in the hotel and restaurant sector, and expansion of domestic demand, continued to influence the dynamics of the general price level. At the end of June 2026, the annual inflation rate in the Kyrgyz Republic stood at 11.0 percent.

Monetary conditions remained tight. The policy rate was kept unchanged at 12.00 percent. The banking sector continued to operate amid excess liquidity, a significant share of which was concentrated in the largest commercial banks. Active measures were taken to regulate the money supply in the economy to prevent inflationary pressure. The situation in the interbank money and foreign exchange markets remained stable.

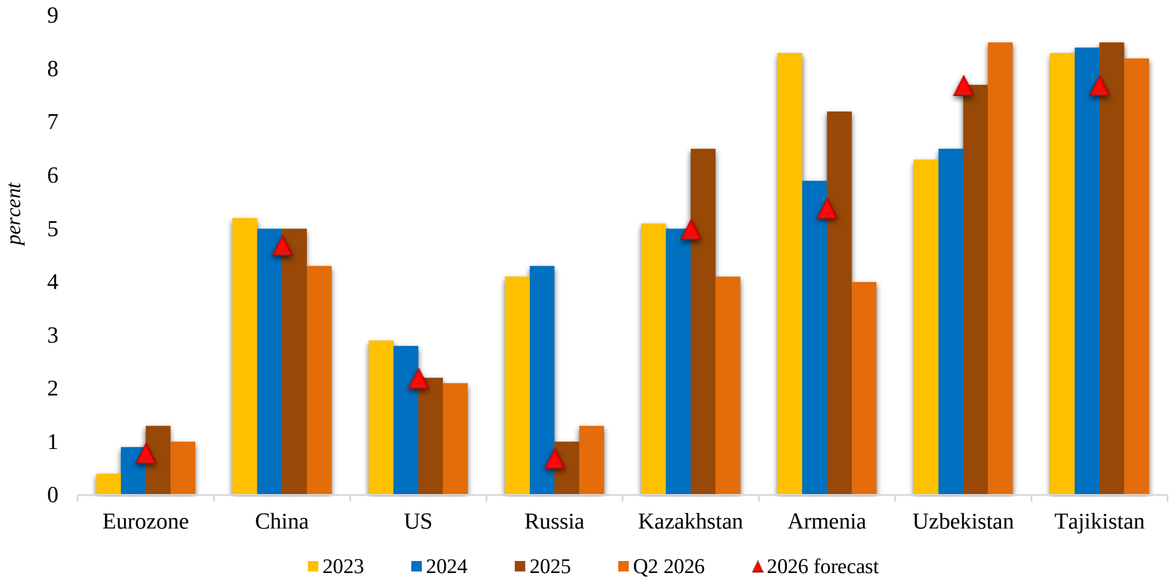
In May 2026, the National Bank enhanced its tactical monetary policy measures by establishing a symmetrical interest rate corridor around the National Bank's policy rate and changing the structure for absorbing excess liquidity in the banking system through an increase in the issuance of the National Bank's 7-, 91- and 182-day notes.

Chapter 1. External Environment

1.1. Economic Development of the EAEU Countries and the Main Trading Partner Countries

In Q2 2026, generally, the growth rates of the world economy remained moderate. There was slowdown of consumer activity in the world's largest economies amid inflationary pressure, despite support from investment and the public sector. Dynamics in the EAEU countries remained multidirectional, while the countries of the region such as Uzbekistan and Tajikistan showed persistently high economic growth being supported by domestic demand and investment.

Chart 1.1.1. Dynamics of Real GDP by Countries
(annual growth rate)



At the end of Q2 2026, the **US** economy grew by 2.1 percent. GDP growth was conditioned by increase in consumer expenditures, investment and exports, the impact of which was partly offset by reduction in government expenditures. Meanwhile, in the quarter under review, real final sales to domestic private consumers accelerated to 3.9 percent compared to 1.7 percent in Q1, due to aggregate increase in household consumer expenditures and growth in gross private domestic investment from the business sector.

The US labour market was relatively stable. In June, the unemployment rate remained at 4.2 percent, being in line with historically moderate levels. Employment dynamics was multidirectional: the sectors of professional and business services, social assistance and healthcare demonstrated stable growth, while there was job cut in the leisure and hospitality sectors. Taking seasonal fluctuations into account, the real average hourly wage for all categories of workers increased by 0.8 percent between May and June, while the real hourly remuneration increased by 0.1 percent in annual terms.

In Q2 2026, the economy of **China** grew by 4.3 percent year-on-year, which was slightly below the GDP growth target set at 4.5–5.0 percent. The industrial sector, where manufacturing output increased by 4.8 percent, was the main driver of growth. At the same time, high-tech sectors, including artificial intelligence, robotics and electronics, showed stable upward trend.

Foreign trade, which demonstrated strong growth in Q2, made a significant contribution to an increase in domestic output. However, domestic economic conditions remained uneven. Retail sales of consumer goods showed poor growth, meanwhile protracted downturn in the real estate sector continued to restrain consumer confidence and overall domestic demand.

To maintain stability, the Chinese authorities conducted active fiscal policy, including issuing ultra-long-term special bonds. Despite a positive start to the year, risks associated with rising global energy prices and a possible decline in external demand in the second half of the year remain.

The latest data reflected improvement in economic activity in **the eurozone** in Q2 2026, despite the fact that the conflict in the Middle East continued to pose challenges. In Q2 2026, GDP growth in the eurozone amounted to 1.0 percent (quarter to the corresponding quarter of the previous year). The services sector showed partial recovery in activity upon its sharp decline amid energy shock. There was stable upward trend in the industrial sector conditioned by the companies accumulating inventories to provide protection against the risk of supply chain disruptions, as well as by growth in defense expenditures. The key risks to economic growth persisted due to the geopolitical situation worldwide and complications in resolving the conflict in the Middle East.

Nevertheless, the fundamental drivers of medium-term growth remained stable. Drivers such as private consumption, investment in advanced digital technologies, public funding for defense and infrastructure projects, and steady recovery in exports were expected to make the main contribution to strengthening overall potential for economic recovery in the eurozone.

According to the IMF report made in July, the economic growth forecast for the eurozone in 2026 was revised downwards to 0.9 percent (compared to the estimate of 1.1 percent made in April) due to significant prolongation of the negative factors that emerged in Q1. At the same time, the economic growth forecast for the USA remained virtually unchanged compared to projections made in April and is expected at 2.3 percent in 2026.

Economic activity remained significant (+8.5 percent in January-June 2026 against January-June 2025) in the countries across the region, particularly in **Uzbekistan.** The country demonstrated stable and high consumer activity and steady growth in investment. In **Tajikistan**, economic growth also remained high (+8.2 percent) due to growth in industrial production output, development of agriculture, and capital investment.

At the same time, in January-June, **Russia** demonstrated moderate economic growth (+0.6 percent compared to the same period in 2025) due to consumer demand and increase of production output in industry, mining sector and agriculture. **The economy of Kazakhstan** demonstrated robust growth – by the end of the first half of 2026, GDP grown amounted to 4.1 percent. Non-oil sectors remained the growth factors: high growth rates persisted in construction, manufacturing and transport.

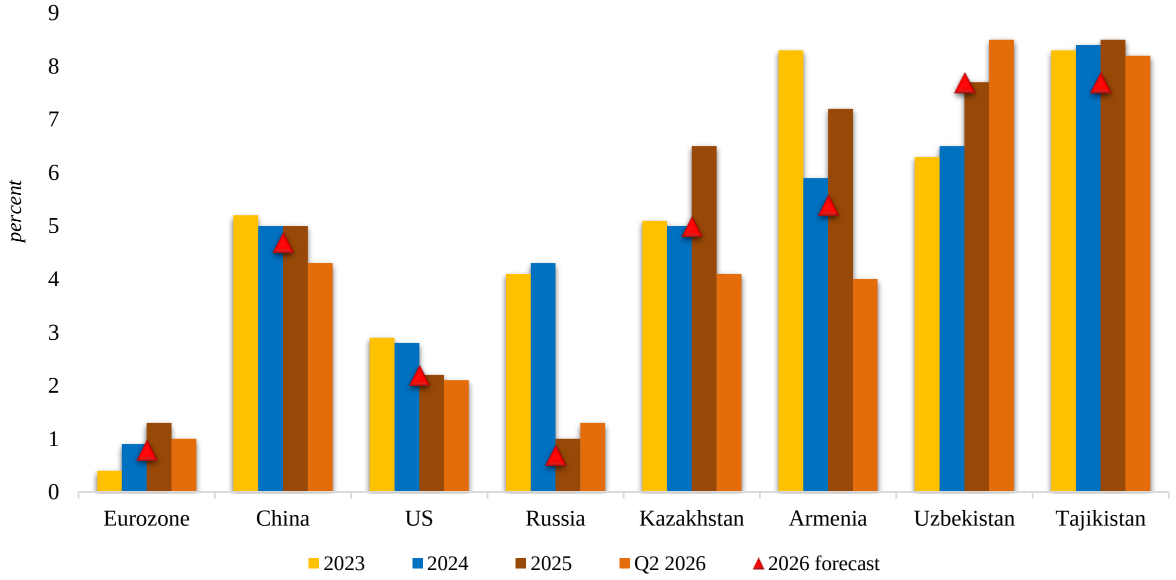
In general, in the medium term, economic growth in the EAEU countries, as well as in Tajikistan and Uzbekistan, will be largely determined by external price conditions and government investment activity amid gradual strengthening of the role of domestic demand.

Inflationary Environment in the External Conditions

In Q2 2026, inflationary processes in the world economy remained multidirectional. As before, major economies demonstrated elevated inflationary pressure conditioned by rise in prices for energy carriers, geopolitical factors, and sustainability of the services sector, which required maintenance of a restrictive monetary policy.

In the EAEU countries and other trading partners of the Kyrgyz Republic, inflation was driven by domestic factors and external price conditions, while monetary policy remained predominantly tight.

Chart 1.1.2. Inflation and Central Banks' Key Rates in the Leading Economies and Trading Partner Countries of the Kyrgyz Republic
(year/year)



Source: national statistical committees, central banks and international organizations

In June 2026, the annual inflation rate in **the USA** slowed down to 3.5 percent, following the rate of 4.2 percent in May, which interrupted a six-month period of continuous acceleration in price growth. Despite this downward adjustment, the inflation rate remains well above the US FRS target of 2.0 percent. A decrease in prices for energy carriers by 5.7 percent due to temporary de-escalation of the conflict in the Middle East was the main factor of slowdown. The dynamics offset the ongoing rise in prices for housing and food products. Decrease in prices in the sectors such as motor insurance, communication services, clothes, healthcare, and the market for second-hand cars and lorries had further dampening effect on the overall consumer price index. At the same time, the US FRS revised its official inflation forecast for 2026 upwards – from 2.7 percent to 3.6 percent amid persistent underlying price pressure.

In June, the inflation rate in the **eurozone** showed similar dynamics, slowing down to 2.8 percent from 3.2 percent in May (in March – 2.6 percent). However, this figure still exceeds the European Central Bank's target of 2.0 percent. The rates of growth in prices for energy carriers slowed to 8.5 percent, however they remained high (the lowest index during the last three months, following 10.8 percent in April and May). Slowdown in price growth for services to 3.2 percent (compared to 3.5 percent a month earlier), reduction in the rate of price increase for non-energy industrial goods to 0.7 percent (from 0.9 percent), and reduction in the rate of price advance for food products, alcohol drinks and tobacco products to 1.5 percent (from 1.9 percent) had additional impact. Despite this slowdown, in June, the European Central Bank revised its macroeconomic forecast upwards compared to its March estimates amid higher prices for energy carriers. The average annual inflation rate is expected at 3.0 percent at the end of 2026.

In **China**, in June 2026, the consumer price index rose by 1.0 percent year-on-year, which is below the official government target of 2.0 percent. The inflation rate for food products fell by 1.6 percent, however it rose by 1.5 percent for non-food products, by 1.1 percent – for consumer goods and by 0.8 percent – for services. Price movement was restrained by weak domestic demand, excess production capacity and low business activity in the real estate market.

Monetary conditions in **the Russian Federation** remained relatively tight. During the quarter under review, prices for fuel and service, as well as seasonal factors conditioned price growth. At the end of June 2026, the inflation rate in Russia decreased down to 6.0 percent. The Bank of Russia is expected to continue conducting gradual easing of monetary policy during 2026.

During Q2 2026, the base rate in **Kazakhstan** was decreased twice, first to 17.00 and then to 16.75 percent. There is inflation slowdown in Kazakhstan for the ninth consecutive month. During this period, price movement was formed under the influence of conducted monetary policy, strengthening of the exchange rate, stabilization of consumer activity following a period of high activity, and reforms in the sector of regulated tariffs. **The balance of risks** demonstrated stable moving towards inflation due to high inflationary expectations, further dynamics in prices for petroleum, oil and lubricants and tariffs for housing and public utility services, possible increase in consumer activity, and acceleration in external inflation.

In **Uzbekistan**, the annual inflation rate was 6.4 percent in June, while in **Tajikistan** inflation slowed down to 4.1 percent year-on-year, accompanied by easing of monetary conditions.

1.2. World Commodity Markets

During the reporting period, price movement in the world commodity markets was primarily conditioned by the Middle East conflict.

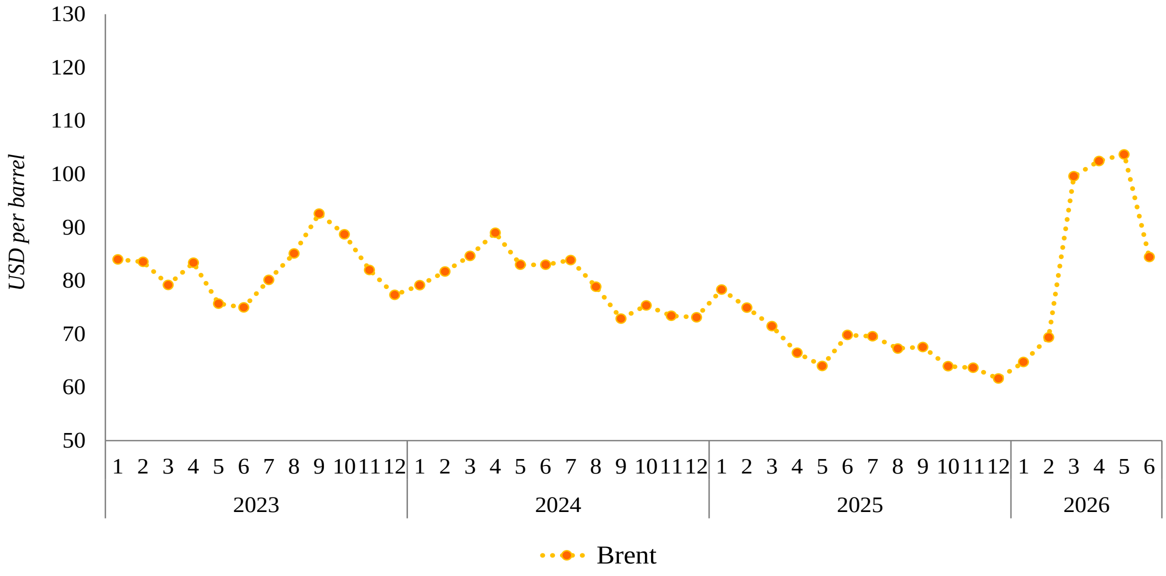
Energy Market

In Q2 2026, as before, the global oil market demonstrated high price volatility. In Q2, the average Brent price increased by 23.3 percent compared to the previous quarter and by 44.9 percent compared to Q2 of the previous year, to make USD 96.7 per barrel. The crisis in the Strait of Hormuz, which resulted in global disruptions in logistics chains, created conditions for the countries to review their energy security strategies, including development of the alternative routes and modernization of reserves. Nevertheless, measures taken were insufficient to keep prices stable, and rise in the geopolitical premium in Brent prices determined price dynamics of other global benchmarks, thereby exacerbating inflationary risks worldwide.

The international analysts consider that logistical shocks have a significant impact on growth of oil price, and a combination of several factors is required to mitigate the risks. The analysts expect gradual stabilization of prices at approximately USD 80 in 2026. These expectations are based on assumptions of excess supply surplus in the market due to increased oil production outside OPEC+, a slight decline in demand in the Asian market, and development of diplomatic relations in the Middle East. However, during Q2, the key involved parties failed to make any meaningful progress on the issue of the Strait of Hormuz, and market participants' expectations were shaped amid geopolitical uncertainty. Bloomberg consensus forecast expects Brent price at USD 82.6 per barrel in 2026.

In Q2, there was high volatility in Urals prices in the Russian Federation due to logistics disruptions and risks in the Strait of Hormuz region (in April, the average price was USD 94.9 per barrel, in May, USD 86.5 and in June, USD 63.5). At the same time, damage to oil refineries resulted in increased price pressure in the Russian market, and the authorities took measures to restrain rise in prices and prevent shortages. Prices for petroleum, oil and lubricants in Kyrgyzstan exerted upward pressure on inflation amid the situation in the Russian petroleum products market. In Q2, the average price of petroleum, oil and lubricants was KGS 84.8 per liter, while, in Q1, the average price for petroleum products was KGS 78.0.

Chart 1.2.1. Dynamics of Brent Price



Source: IA Bloomberg

Food Market

In Q2 2026, the FAO Food Price Index showed moderate volatility amid stabilization trend at elevated levels. In April 2026, the index stood at 131.0 points, demonstrating stable upward trend seen in previous months amid escalating logistical and geopolitical risks. In May, the index showed relative stability, being slightly adjusted to 130.8 points, and. in June. completed the quarter at 130.3 points.

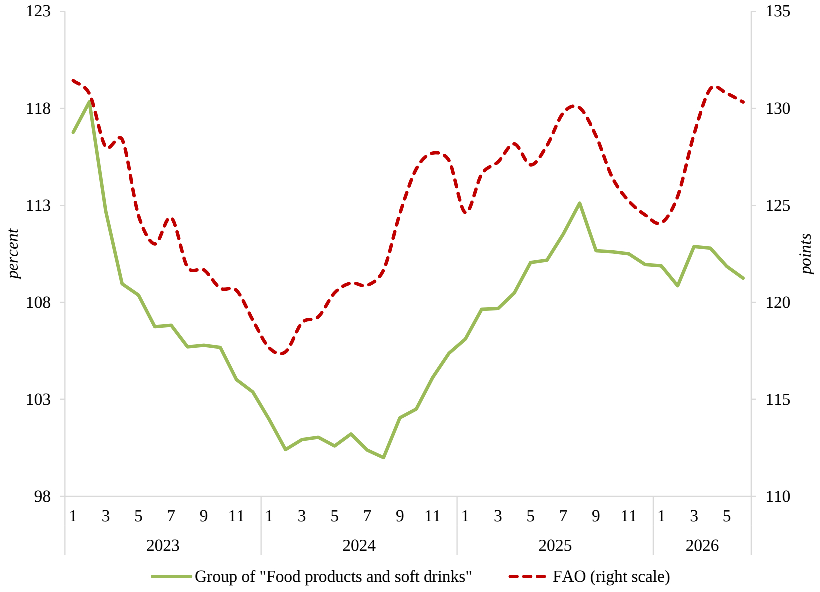
Stabilization and slight decline in the index at the end of the quarter were conditioned by decrease of prices in the categories such as cereals, sugar and dairy products, which offset long-lasting rise in prices for vegetable oils and meat. Initiation of the active grain harvesting campaign, as well as reorientation of sugar plants in Latin America to increase sugar production instead of ethanol, had a dampening effect on price movement. However, persistent pressure from energy prices and tensions in the Strait of Hormuz, which restricted supplies of mineral fertilizers, prevented global prices from falling below the levels seen at the beginning of the year.

Among commodity groups, in Q2 2026, the sugar and cereals price indices exerted the main downward pressure on the overall price index. Decline in the sugar price index in June was conditioned by fall in the domestic ethanol prices in Brazil, which encouraged plants to use more sugarcane for sugar production.

In the cereals sector, downward trend was mainly conditioned by decrease in prices for wheat amid new harvest coming onto the market and stable export supplies from the Black Sea region. Prices for dairy products also showed moderate decline due to seasonal increase in supply in Europe. Vegetable oils demonstrated the opposite trend, their prices resumed upward dynamics due to strong demand from the biodiesel industry. Moreover, prices for meat remained high due to limited livestock slaughter volumes in the exporting countries and stable demand for import.

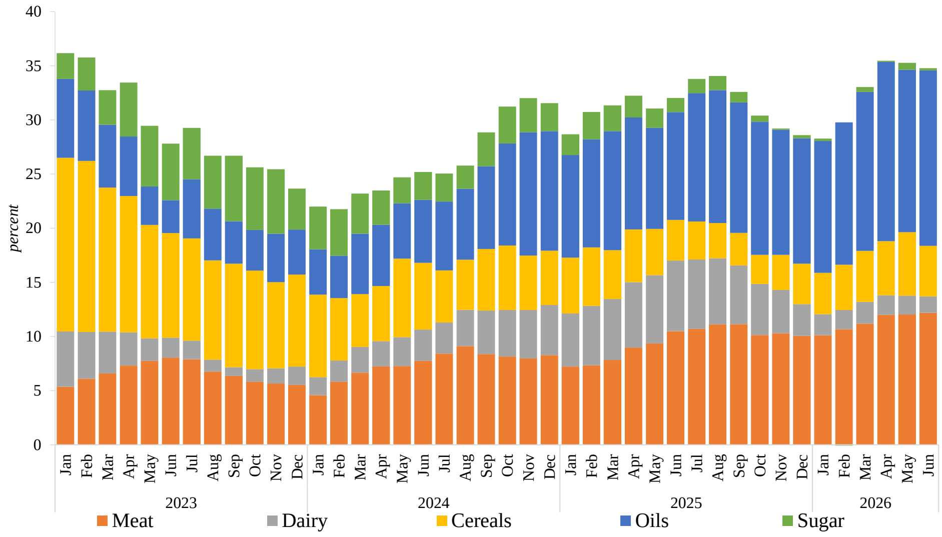
External price environment continued to exert significant influence on the domestic market of the Kyrgyz Republic under the conditions of high dependence on imported goods. The fact that the world food prices remained above 130 points during Q2 creates prolonged spillover effect from external shocks. Persistent logistical costs and high world prices for meat and oilseeds created sustainable conditions to maintain inflationary pressure in the domestic consumer market of the Kyrgyz Republic.

Chart 1.2.2. Dynamics of FAO Food Price Index and Prices for Food Products in the Kyrgyz Republic
(month to the corresponding month of the previous year)



Source: NSC KR, FAO

Chart 1.2.3. Structure of FAO Index



Source: FAO, National Bank's calculations

Gold Market

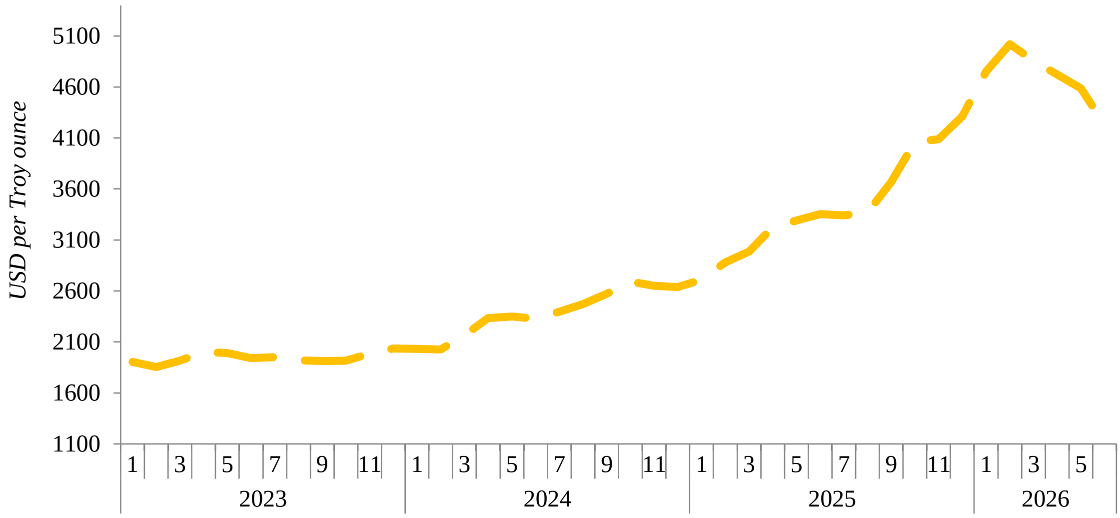
In Q2 2026, the world gold market was characterized by high volatility and a moderate decline in prices amid macroeconomic uncertainty and geopolitical risks. Upon reaching the highest ever maximums at the beginning of the year, prices entered a correction phase, accompanied by multidirectional fluctuations. In general, prices for gold demonstrated negative dynamics, having decreased by 14.1 percent quarter-to-date. However, according to the World Gold Council, further decline in prices was prevented by sustainable demand from the central banks actively diversifying their international reserves, and constant geopolitical uncertainty.

According to the World Gold Council, in Q2, aggregate world demand remained unchanged compared to the corresponding period of the last year and amounted to 1,269 tonnes. At the end of the first half of the year, demand rose up to 2,522 tonnes (by 2.0 percent in annual terms), while its monetary equivalent reached the highest ever value of USD 380 billion amid high prices. In Q2, the structure of demand was as follows: the central banks remained highly active and purchased 289 tonnes of gold; investment in bars and coins stood at 307 tonnes, reflecting stabilization of demand following two quarters of abnormally high purchase volumes; in the sector of technologies, consumption increased up to 80 tonnes due to outstripping growth of demand for microelectronics conditioned by development of artificial intelligence; in the sector of jewelries, demand fell down to 278 tonnes due to sharp decline in purchasing power caused by high prices and inflationary pressure.

Key trends are expected to persist in the future; in particular, investment will remain the main driver of demand expansion with growing role of the over-the-counter market and the Asian region. High prices will continue to restrain the jewelry segment, while the supply response from the sector of gold mining and recycling will be moderate.

In 2026, IA Bloomberg forecasts the average world price for gold at USD 4,629.0 per Troy ounce. Within the framework of the baseline scenario, the major financial institutions expect price consolidation within the range of USD 4,300 - USD 4,700 per ounce during 2026.

Chart 1.2.4. Dynamics of Gold Prices



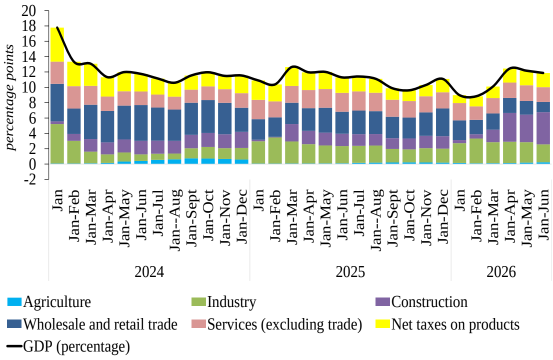
Source: IA Bloomberg

Chapter 2. Macroeconomic Development

2.1. Demand and Supply in the Commodities and Services Market

Chart 2.1.1. Input of Main Sectors to GDP Growth

(period to period)



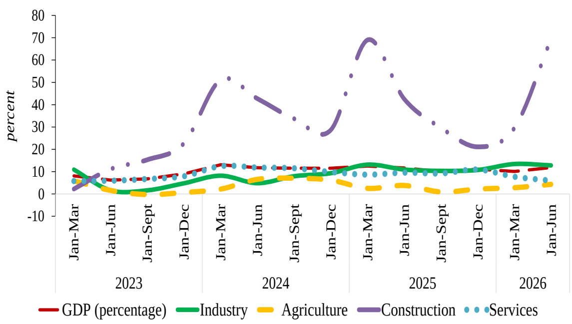
Sources: NSC KR

At the end of the first half of 2026, the economy of the Kyrgyz Republic operated amid high consumer and investment activity, which conditioned growth of real GDP by 11.9 percent. At the same time, the key sectors of the economy – the sector of services, construction and industry – continued to play a dominant role, and their combined contribution to GDP growth amounted to 9.8 p.p. An increase in tax revenues amid improved tax administration had an additional impact: contribution of net taxes on goods to GDP growth stood at 1.8 p.p.

The construction sector demonstrated the most significant growth (+69.6 percent), where an increase in domestic and foreign capital investment was the driving factor to implement planned large-scale infrastructure and housing projects in the country. Furthermore, dynamic development of this sector had a multiplier effect on related sectors of the economy, stimulating expansion of construction materials production, trade, development of transport and logistics infrastructure, etc.

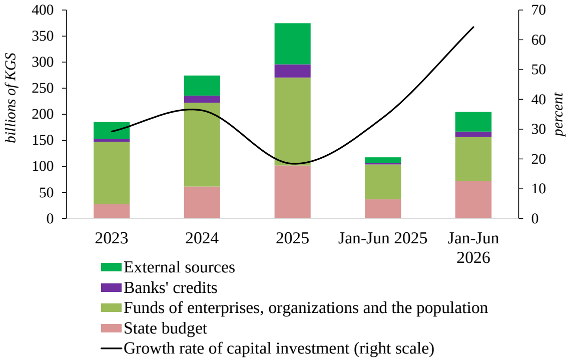
Chart 2.1.2. Growth Rates of Economic Sectors

(period to period)



Sources: NSC KR

Chart 2.1.3. Capital Investments by Sources of Financing



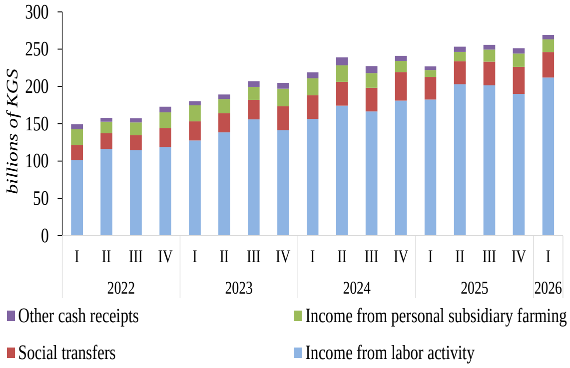
Sources: NSC KR

Expansion of domestic demand was conditioned by growth in real incomes of the population during the past years. This positive trend was supported by comprehensive rise in wages in the public (due to fiscal and tax policy measures) and private sectors. An increase in availability of consumer credits was an additional factor strengthening population solvency.

Statistical indicators confirm acceleration of these processes: at the end of January-June 2026, real wages demonstrated growth by 15.3 percent, while consumer credits in the national currency rose by 16.5 percent.

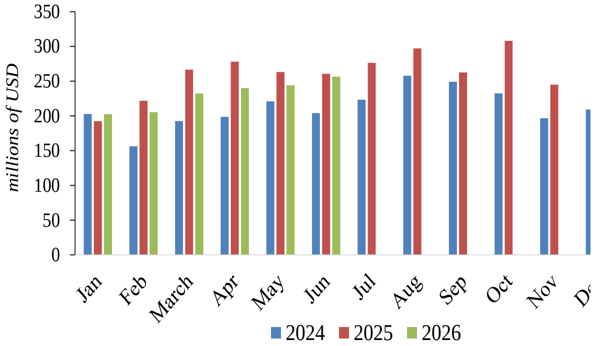
This combination of factors provides the basis for further increase in consumer activity and maintenance of overall economic growth.

Chart 2.1.4. Population Incomes



Sources: NSC KR

Chart 2.1.5. Net Inflow of Individuals' Remittances

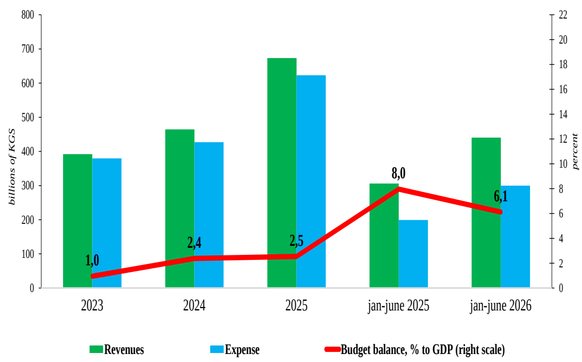


Source: National Bank

The labor market of the country demonstrated steady downward trend in the unemployment rate conditioned by active creation of new jobs as part of large-scale projects and registration of new business entities. This process reflects favorable investment climate and stimulates small and medium-sized enterprises. Increased business activity and growing consumer demand for goods and services contributed to rise in inflation.

Public Finances Sector

Chart 2.1.6. Execution of the State Budget
(period to the corresponding period of the previous year)



Source: CT MFKR

At the end of the first half of 2026, the state budget was executed with a surplus of 6.1 percent to GDP. Strong economic activity and the government's policy of real sector fiscalization conditioned growth of budget revenues by 44.0 percent compared to the same period of the last year, up to KGS 440.5 billion.

Revenues from income tax and value-added tax were the main drivers of an increase in budget revenues.

Meanwhile, expenditures for operating activity rose by 50.6 percent and amounted to KGS 299.9 billion. Public officers' remuneration and transfers to the Stabilization Fund of the Kyrgyz Republic have the largest share in the structure of expenditures.

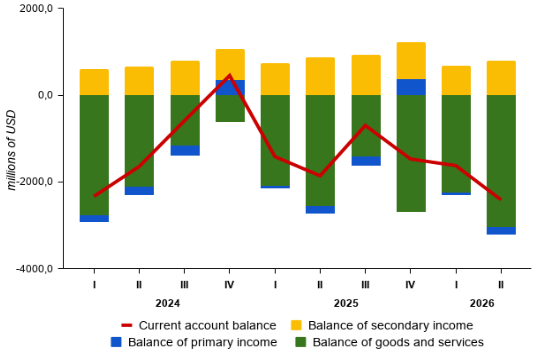
External debt continues to dominate the structure of public debt. However, as of the end of June 2026, it decreased by 2.4 percent compared to the beginning of the year. At the same time, the volume of domestic debt increased by 36.7 percent, to make USD 427.0 billion.

2.2. External Sector[1]

In Q2 2026, widening of the trade deficit, along with a decline in the surplus of secondary income balance, were the main factors shaping the current account.

[1] According to the preliminary and forecasted data, including additional estimates of the National Bank of the Kyrgyz Republic. Period of comparison is the quarter to the corresponding quarter of the previous year.

Chart 2.2.1. Current Account



Note: According to the preliminary and forecast data.

Based on preliminary and estimated data from the National Bank, in Q2 2026, the negative balance of the current account amounted to USD 2,410.4 million, which is equivalent to 24.9 percent of GDP[1].

In the observed period, the expansion of the trade balance deficit by 20.5 percent, to USD 3,079.3 million, was driven by a diminution in export activity amid rise in imports.

During the reporting period, export of goods (in FOB prices) fell by 7.4 percent compared to the base period and reached USD 557.3 million. Exports excluding gold grew by 13.7 percent and came to USD 544.2 million.

Thus, decline in gold export shipments compared to Q2 2025 was the determining factor in weakening of total export of goods.

In addition, the commodity structure of exports showed a negative trend in the supplies of motor vehicle parts and accessories, plastics in primary forms, clothes, vegetables, sugar, and milk fats and oils. At the same time, in the reporting period, exports were, to a considerable extent, supported by the surge in supplies of motor vehicles, ores and concentrates of precious metals, coal, fruit and tobacco.

Import of goods (in FOB prices) increased by 15.2 percent, up to USD 3,636.5 million. Meanwhile, import of petroleum products went up by 0.7 percent, totalling USD 278.1 million. In terms of other major commodity categories, there was a growth in import of motor vehicles, iron and steel, structures of iron, steel or aluminum, as well as agricultural and construction machinery. At the same time, there was a drop in import of parts for sewing machines, fabrics, footwear, automatic data-processing machines and air-conditioners.

The structure of the secondary income balance was primarily formed by inflows of private transfers, which were predominantly comprised of workers' remittances.

In Q2 2026, net inflows under the item "workers' remittances" decreased by 7.8 percent. The negative balance of the public sector transfers fell by 78.0 percent due to reduction in payments to the international organizations.

Pursuant to preliminary estimates, the surplus of the balance of foreign trade in services will go up from USD 0.4 million in the corresponding period of 2025 to USD 46.9 million in the reporting period. This growth is expected to be provided by a rise in the volume of services provided to non-residents under the items "travel" and "other services".

Primary income, according to the National Bank's estimates, will be formed with the negative balance of USD 181.7 million, having exceeded the indicator of the base period by 8.4 percent.

Financing on the capital account will decrease by 18.0 percent compared to Q2 2025, amounting to USD 30.8 million.

As per the National Bank's preliminary forecast, in Q2 2026, the financial account is expected to be driven primarily by an increase in private sector liabilities to non-residents in the form of other investments and foreign direct investment inflows.

[1] Ratios to GDP are calculated based on sliding annual data, including the last four quarters.

Chapter 3. Monetary Policy

In Q2 2026, monetary policy was conducted against the background of persistent uncertainty in the external economic environment, high price volatility in global and regional commodity markets, increased logistics costs resulting from the restructuring of international supply chains, and high inflation in the main trading countries of the Kyrgyz Republic.

Domestic factors, such as implementation of tariff policies for electricity, housing and public utilities, as well as price increases in the services sector related to fiscalization processes, exerted an additional influence on prices.

Under the current macroeconomic conditions, monetary policy was focused on ensuring price stability in the country and achieving the inflation target of 5–7 percent in the medium term.

Monetary conditions remained tight throughout the quarter. The National Bank's Board considered the issue of the policy rate twice – on April 27 and May 25. Following these meetings, the National Bank's policy rate was kept unchanged at 12.00 percent.

At the same time, the National Bank changed its approach to tactical measures within the framework of its monetary policy, having adjusted the bounds of the interest rate corridor on May 25, 2026: the interest rate on "overnight" deposits was raised from 6.00 to 10.00 percent, while the interest rate on "overnight" credits was kept unchanged at 14.00 percent. This will help to encourage saving behavior among the population, as the measures taken are aimed at making banks' deposit rates more attractive, thereby helping preserve the purchasing power of the national currency.

The resulting symmetrical interest rate corridor (±2 p.p. relative to the policy rate) on the National Bank's operations enabled effective management of systemic excess liquidity and brought short-term money market rates closer to the National Bank's policy rate.

These measures were accompanied by active liquidity management in the banking sector in order to limit the monetary contribution to inflation. The situation in the interbank money and foreign exchange markets remained stable. The banking sector continued to operate under the conditions of excess liquidity.

Overall, the set of implemented monetary measures (interest rate policy and tactical measures) helped to minimize the risks of secondary inflationary effects spreading and created the necessary conditions for a gradual return of inflation to the medium-term target.

From the beginning of 2026 through the end of June, the overall price level rose by 5.5 percent, while the annual inflation rate stood at 11.0 percent.

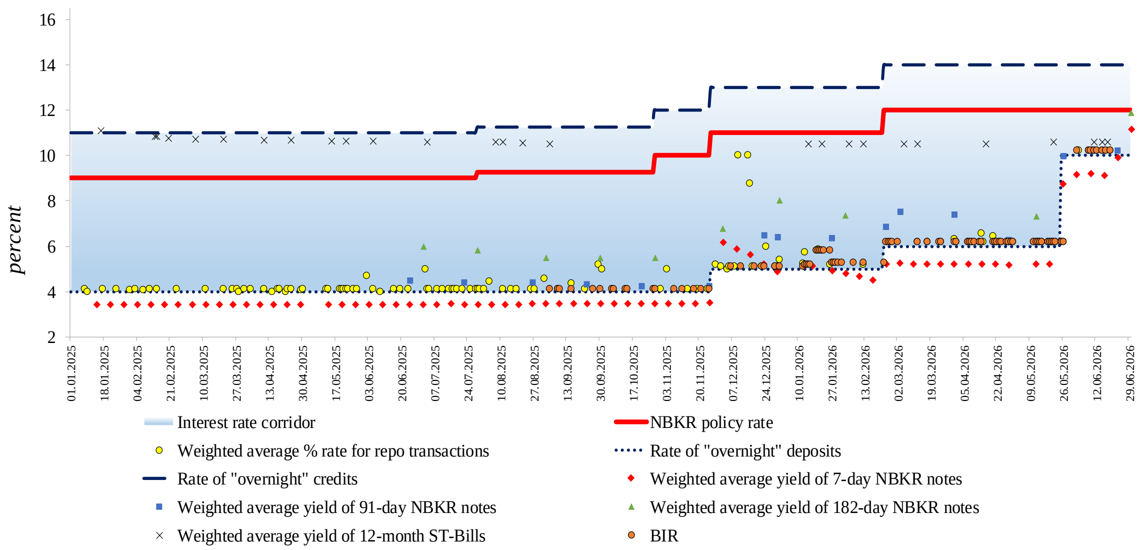
Monetary Policy Measures taken in Q2 2026	
Interest rate policy of the National Bank	
April 27, 2026	- the policy rate was kept unchanged at 12.00 percent. - the interest rate corridor bounds were kept unchanged at the end-Q1 2026 level: the "overnight" deposit rate at 6.00 percent and the "overnight" credit rate at 14.00 percent.
May 25, 2026	- the policy rate was kept unchanged at 12.00 percent. - the lower bound of the interest rate corridor – the rate on "overnight" deposits was raised by 400 basis points, up to 10.00 percent. The rate on "overnight" credits was kept unchanged at 14.00 percent.

Tactical measures of monetary and foreign exchange policy	
Build-up of excess liquidity absorption operations	- an increase in the issuance of 7-, 91- and 182-day notes; - the bulk of excess liquidity in the banking system was absorbed through “overnight” deposits.
Conducting foreign exchange interventions	- three interventions were conducted on sale of foreign currency to the total amount of USD 560.8 million, or approximately KGS 48.9 billion.

3.1. Dynamics of Short-Term Money Market Interest Rates

In Q2 2026, adjustments to the operational parameters of monetary policy strengthened the transmission of the National Bank’s interest rate signal: short-term money market interest rates trended an upward following the increase in the lower bound of the National Bank’s interest rate corridor, while negative spreads relative to the policy rate narrowed across all money market segments, with exception of 12-month ST-Bills.

Chart 3.1.1 Interest Rates of the Money Market



In Q2 2026, the dynamics of short-term money market interest rates was characterized by the market participants’ gradual adaptation to the adjusted parameters of the National Bank’s interest rate corridor and to monetary policy measures aimed at absorbing excess liquidity. In contrast to the previous quarter – when rates in certain market segments remained mostly near the lower bound of the corridor due to significant excess liquidity in the banking system, which constrained rate signal transmission – market rates converged toward the policy rate in Q2.

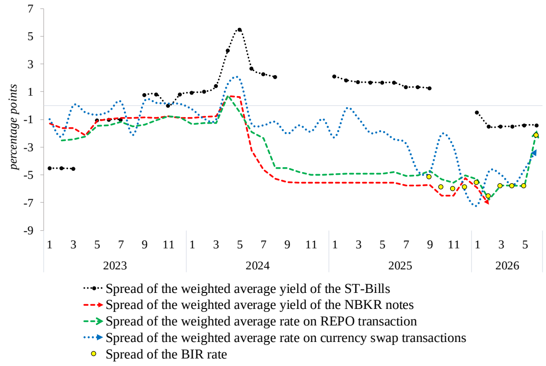
In the interbank REPO market, the weighted average rate in Q2 2026 rose to 7.55 percent, compared to Q1 2026 (5.71 percent). However, during the quarter, the dynamics of the interest rates was multidirectional: in April and May, the weighted average interest rate stood at 6.24 percent and 6.20 percent, respectively, before rising to 10.20 percent in June. The rise in rates at the end of the quarter reflected the increased cost of short-term Som liquidity following the adjustment of the lower bound of the National Bank’s interest rate corridor.

At the same time, there was a significant increase in activity in the REPO market. The volume of transactions concluded during the reporting period increased by 2.9 times compared to the previous quarter. Moreover, the number of concluded transactions grew by 3.7 times. ST-Bonds remained the main form of collateral, however, in Q2 2026, the market participants also used the National Bank’s notes as collateral in certain cases. Measures previously taken by the National Bank to extend the maturities of these securities, as well as an increase in their supply, expanded the capacities of interbank market participants to attract short-term liquidity through REPO transactions.

A similar trend was observed in the benchmark Bishkek Interbank Rate (BIR). The BIR increased from 6.18 percent at the end of Q1 2026 to 10.20 percent at the end of Q2 2026. In April and May 2026, the rate remained stable at 6.18 percent, before its average value rose up to 9.83 percent in June.

Thus, in Q2 2026, there was a relatively rapid transmission of the National Bank's interest rate policy adjustments to the short-term segment of the money market. The interest rates on 7-day notes previously were primarily near the lower bound of the National Bank's interest rate corridor due to high level of excess liquidity, upon adjustments of the lower bound, market rates became more sensitive to forming within the interest rate corridor and approaching the National Bank's policy rate.

Chart 3.1.2. Spread between the Short-Term Rates of the Money Market and the Key Rate of the National Bank



Adjustments to the operational mechanism of monetary policy led to a narrowing of the spread between market interest rates and their convergence toward the National Bank's policy rate. Negative interest rate spreads relative to the policy rate narrowed across all market segments compared with the previous quarter, with the exception of 12- month ST-Bills.

The REPO market demonstrated relatively pronounced changes. The average spread between the National Bank's policy rate and the interest rate on REPO transactions narrowed from (-)5.96 p.p. in Q1 2026 to (-)4.45 p.p. in Q2 2026. An increase of the interest rate on "overnight" deposits and formation of a symmetrical interest rate corridor contributed to growth in the cost of liquidity in the national currency and closer alignment of the short-term market rates with the policy rate as the National Bank's primary operational benchmark.

A similar trend was observed in the National Bank's notes market. The average spread between the weighted average yield on the notes and the policy rate narrowed from (-)6.59 p.p. to (-)4.72 p.p. Yields converged toward the policy rate alongside an expansion in note issuance across all maturities, which contributed to further improvement in the effectiveness of absorbing excess liquidity in the banking system and formation of the market yields at a higher level.

Interest rate dynamics in the interbank SWAP segment operations showed an upward trend, reflecting the general trend towards rise in the cost of liquidity in the national currency within the banking system. The average spread narrowed from (-)5.65 p.p. to (-)4.51 p.p.

At the same time, the 12-month ST-Bills market showed the opposite reaction. The average spread between the yield on 12-month ST-Bills and the policy rate widened from (-)1.17 p.p. in the previous quarter to (-)1.43 p.p. in the reporting period. The slower adjustment of ST-Bills yields compared to the money market instruments reflected the specific nature of demand for ST-Bills, which was determined not only by changing interest rate conditions, but also by the structure of ST-Bills supply, investor preferences and expectations regarding the future trajectory of the interest rates.

Overall, the results of Q2 2026 indicated a strengthening of the interest rate channel of the transmission mechanism. Keeping the policy rate unchanged at 12.00 percent amid simultaneous raising the interest rates on "overnight" deposits up to 10.00 percent, transition to a symmetric corridor and expansion of the National Bank's notes issue contributed to a close alignment of market rates with the National Bank's operational targets. At the same time, variations in the adjustment speed of yields across individual segments of the financial market reflected the specific nature of their formation mechanisms and their varying sensitivity in monetary conditions.

The narrowing of spreads in the markets of REPO transactions, notes and foreign exchange SWAP operations amid widening the spread on 12-month ST-Bills indicated that changes in the operational parameters of monetary policy primarily affected the shorter-term segment of the money market, while the response of the ST-Bills market remained more gradual.

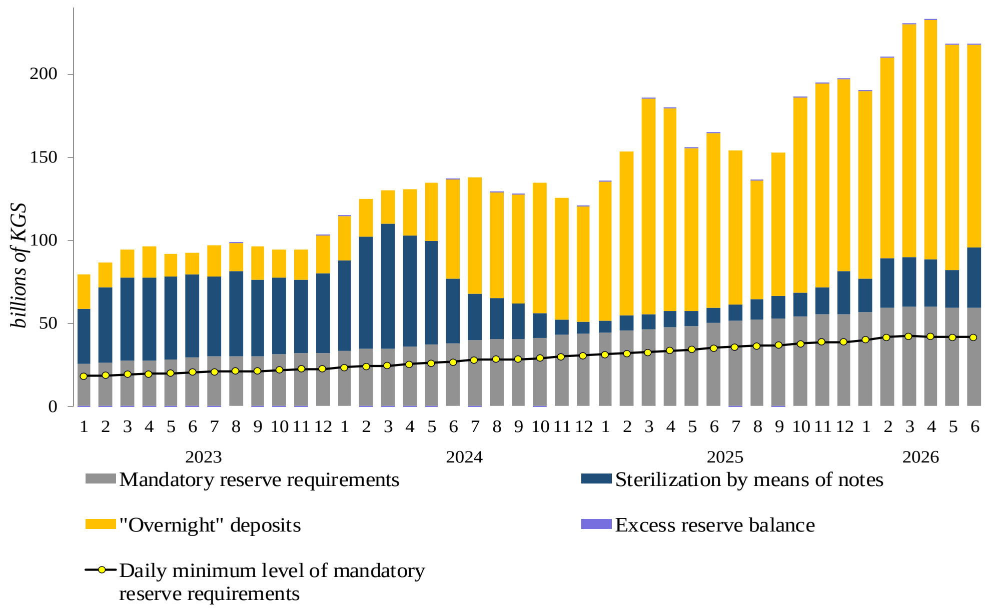
Liquidity in the Banking Sector

In Q2 2026, the country's banking sector continued to operate under conditions of high level of excess liquidity, primarily driven by a positive fiscal impulse.

Against the backdrop of an upward trajectory in excess liquidity, the National Bank adjusted its tactical monetary policy approach. Since May 2026, there was increase in the issue of 7-, 91- and 182-day notes of the National Bank. This contributed to balancing liquidity in the banking sector and maintain stability in the money market. Consequently, by the end of the period, the share of the National Bank's notes in the overall structure of sterilization operations increased significantly.

In Q2 2026, a high structural surplus of liquidity persisted in the banking system, driven as before by the combined impact of public finance and the monetary sector operations. At the same time, excess liquidity dynamics moderated following its significant expansion in the previous quarter. The average daily volume of excess liquidity prior to the National Bank's sterilization operations rose by 5.8 percent quarter-on- quarter and amounted to KGS 167.0 billion, representing a 40.8 percent increase year-on-year.

Chart 3.1.3. Dynamics of Overall Liquidity, Structure of Excess Reserves Sterilization



Unlike in Q1 2026, when the volume of excess reserves rose steadily, a gradual decline was observed during the reporting period: the average daily volume of excess reserves fell from KGS 176.4 billion in April to KGS 158.9 billion in June. This trend was largely driven by the high base effect of the previous quarter, resulting from substantial liquidity injections through the fiscal channel.

Despite a slight slowdown in the growth rates, the volume of excess liquidity still exceeded the structural needs of the banking sector. In these circumstances, the National Bank actively managed money supply in the economy to limit monetary inflation drivers through monetary operations: issuing National Bank's notes and accepting from the commercial banks' excess funds into "overnight" deposits. In Q2 2026, the average daily volume of liquidity absorption increased by 7.9 percent compared to the previous quarter (KGS 150.9 billion) and amounted to KGS 162.9 billion. As a result of the expansion in issue of notes across all maturities (7, 91 and 182 days), the share of this instrument in the total volume of sterilization rose up to 17.8 percent (17.5 percent in the previous quarter), while the share of "overnight" deposits fell down to 82.2 percent (82.5 percent in the previous quarter). These measures were aimed at further enhancing the efficiency of excess liquidity absorption.

The parameters of liquidity regulation operations in the country's banking system were determined on the basis of a comprehensive assessment of the current and projected levels of the banking system's structural liquidity, trends in the autonomous factors driving changes therein, the state of short-term money market rates, and market participants' demand for the National Bank's sterilization instruments.

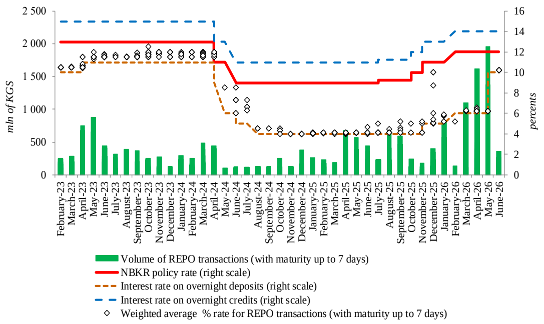
Foreign exchange sale interventions in the domestic market continued to exert additional restraining effect on liquidity expansion in the banking system. In Q2 2026, the volume of these interventions decreased compared to the indicator of the previous quarter (USD 725.5 million, or KGS 63.4 billion) and amounted to USD 560.8 million, or equivalent to approximately KGS 48.9 billion.

3.2. Transactions on the Interbank Money Market

Interbank Credit Market

In Q2 2026, there was increased demand for liquidity on the interbank credit market.

Chart 3.2.1. Dynamics of Rates and Volume of Repo Transactions in the Interbank Credit Market



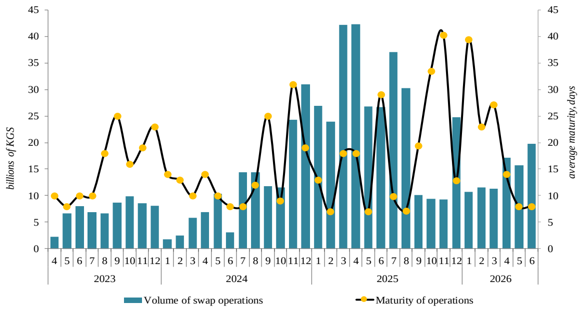
In Q2 2026, there was rise in demand for short-term funding via REPO transactions. The total volume of transactions increased significantly by 2.9 times compared to Q1 and amounted to KGS 15.4 billion. At the same time, the consolidated weighted average maturity of borrowings fell from 29 days in the previous period down to 10 days in the current one.

In April-May, market showed highest ever activity when monthly transaction volumes remained within the range of KGS 6.8-7.3 billion amid stable price range (at approximately 6.22 percent). In June, cost of borrowed funds rose up to 10.20 percent, while the volume of transactions reached KGS 1.3 billion. Under these circumstances, the market participants entered into short-term contracts with an average term of up to 3 days during June.

Interbank Swap Market

Activity in the interbank foreign exchange swap transactions market increased by 56.8 percent compared to the previous quarter. In order to support their operating activity, the commercial banks attracted liquidity for shorter maturities: an average maturity of transactions decreased by 20 days down to 10 days.

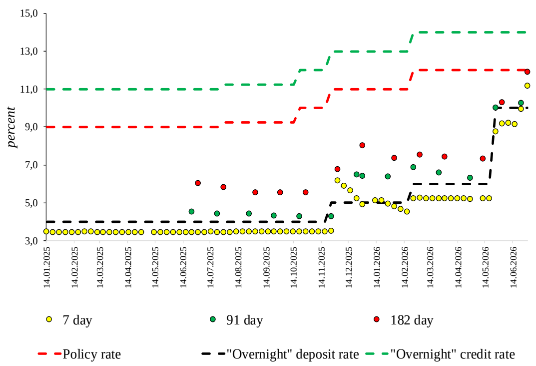
Chart 3.2.2. Dynamics of Swap Transactions



In terms of the currency composition of swaps, the national currency was in the highest demand. In particular, in Q2 of the current year, the volume of transactions to attract KGS liquidity increased by 2.8 times compared to the same period of 2025 and amounted to KGS 31.1 billion (an increase by 2.1 times compared to the previous quarter).

Market of the National Bank's Notes

Chart 3.2.3. Weighted Average Interest Rates of the National Bank's Notes



In Q2 2026, yields in the notes market continued demonstrating stable upward trend for all maturities. An increase in the lower bound of the National Bank's interest rate corridor – the rate on "overnight" deposits – as well as persistently high level of excess reserves, which contributed to steady demand for sterilization instruments from the banks, were the main factors of this trend.

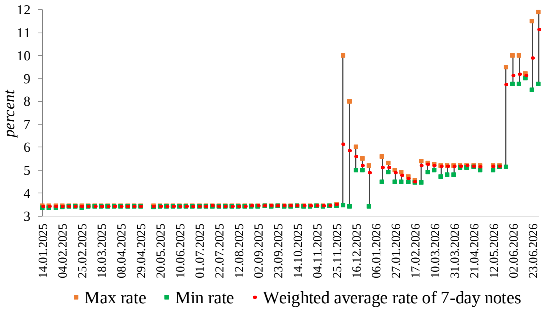
Activity of the market participants remained high, although demand growth rate showed slight slowdown after significant rise in the previous quarter. Total demand for notes rose by 4.0 percent compared to Q1 2026. As before, 7-day notes were in highest demand, with sales volume up 4.4 percent. Meanwhile, demand for 182-day notes increased by 1.1 percent, while demand for 91-day notes declined by 4.9 percent, indicating redistribution in preferences of individual market participants among the instrument maturities.

Amid stable excess liquidity, the National Bank continued to expand its note supply to enhance the effectiveness of sterilization operations. The most significant increase in issuance volume occurred at the end of the reporting period. In general, during Q2 2026, the volume of placed 7-day notes rose by 17.0 percent, while the volume of placed 91- and 182-day notes increased by 33.3 percent for each maturity.

Rise of the short-term interest rates in the money market rates conditioned growth in yields of notes across the entire maturity curve. The weighted average yield on all placements increased by 2.21 p.p. compared to the previous quarter, up to 7.28 percent. Yield of 7-day notes reached 7.22 percent (+2.21 p.p.), 91-day notes – 8.83 percent (+2.25 p.p.), and 182-day notes – 9.33 percent (+1.93 p.p.).

During the reporting quarter, rise in yield of the National Bank's notes conditioned expansion in the pool of market participants and indicated that this instrument remained attractive, given adjustment of the bounds in the National Bank's interest rate corridor and the presence of a significant volume of excess liquidity in the banking system.

Chart 3.2.4. Maximum and Minimum Yield on Satisfied Requests for 7-day Notes

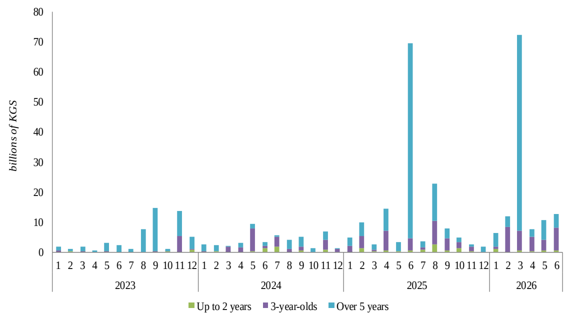


The range of yields across all maturities of notes continued to shift upward. Maximum interest rates on participants' satisfied requests for 7-day, 91-day and 182-day notes rose by 2.64 p.p., 2.42 p.p. and 3.03 p.p. respectively. The minimum yield rose by 1.95 p.p. (7 days), 2.08 p.p. (91 days) and 1.92 p.p. (182 days).

Government Securities Market

In Q2 2026, the government securities (GS) market was represented by the securities of all maturities, excluding 15-year and 20-year securities. The state treasury bonds (GTBs) with 3-year and 7-year maturities were in the greatest demand amongst the market participants.

Chart 3.2.5. Volume of Issued GSs



In Q2, the volume of ST-Bonds sales at the platform of the National Bank decreased by 3.0 times and amounted to KGS 29.7 billion. Meanwhile, the weighted average yield rose to 13.92 percent (+2.84 p.p.) compared to the previous quarter. The total volume of government securities sales at the platform of KSE amounted to KGS 1.3 billion (a decrease by 22.8 percent) with the weighted average yield remaining virtually unchanged:12-month ST-Bills – 10.57 percent (+0.07 p.p.) and 2-year ST-Bills – 13.0 percent (0.0 p.p.).

Thus, in Q2 2026, the share of long-term bonds continued to increase, and the overall yield of the government securities market rose slightly in the structure of government securities sales.

Chart 3.2.6. Weighted Average Yield of GSs with 1-5-year Maturity

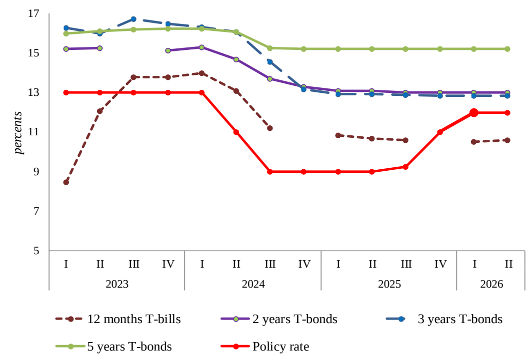
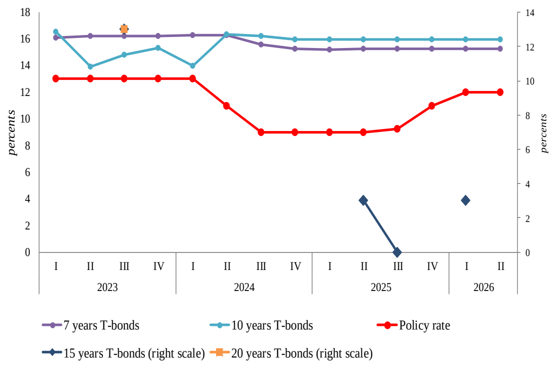


Chart 3.2.7. Weighted Average Yield of GSs with 7-20-year Maturity



Deposit Market

The commercial banks' deposit base showed gradual growth in the national currency.

At the end of Q2 2026, the banks' total deposit base amounted to KGS 924.7 billion, having increased by KGS 8.2 billion (+0.9 percent) during the quarter. The growth of the deposit base was due to an increase in deposits in the national currency up to KGS 656.1 billion (+4.2 percent). The deposit base in foreign currency fell down to KGS 268.6 billion (-6.4 percent) during the quarter.

In general, during the quarter, growth in deposits was conditioned by expansion of funds on demand accounts by 15.5 percent (up to KGS 251.7 billion), while time deposits increased by 8.1 percent, up to KGS 295.6 billion. Deposits on settlement accounts fell by 11.2 percent during the quarter (up to KGS 377.5 billion).

In Q2, individuals' and legal entities' time deposits showed an upward trend. The number of households' savings on time deposits in the national currency totaled KGS 121.4 billion (+5.5 percent during the quarter). Moreover, legal entities' deposits in the national currency demonstrated growth: deposits increased by 29.3 percent during the quarter, up to KGS 81.5 billion. Time deposit accounts in foreign currency showed the opposite trend, when the legal entities' funds fell by 5.1 percent, down to KGS 5.6 billion and the individuals' savings decreased by 4.9 percent, down to KGS 15.1 billion.

In Q2, dollarization (adjusted for the official exchange rate) continued to decline to 29.0 percent (at the end of Q4, 34.7 percent), reflecting savings preferences of the population and businesses primarily in the national currency.

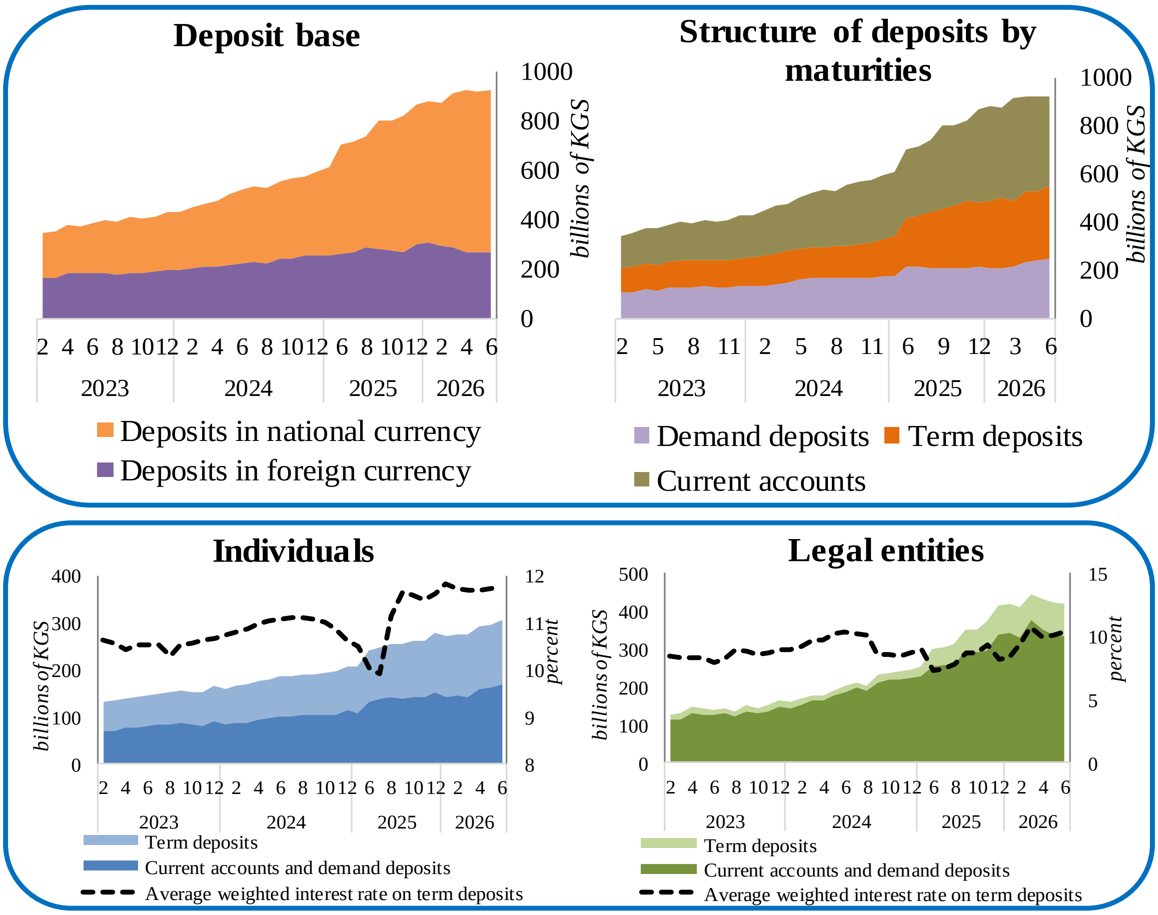
Chart 3.2.8. Trends in the Deposit Market

The volume of the deposit base at the end of Q2 2026: **924,7 billion soms**

Deposits' growth rate since the beggining of the year: **+6,8%**

Average weighted interest rate of term deposits at the end of Q2 2026: **10,91%**

The level of dollarization of the deposit base at the end of the Q2 2026: **29,0%**



Credit Market

In Q2 2026, active lending to the economy continued.

In the reporting period, the lending market continued to grow. During the quarter, the banks' credit portfolio increased by 11.6 percent and amounted to KGS 602.6 billion. Increase of credits in the national and foreign currencies, by 11.9 percent and 10.0 percent, respectively, was the main driver of growth in the period considered.

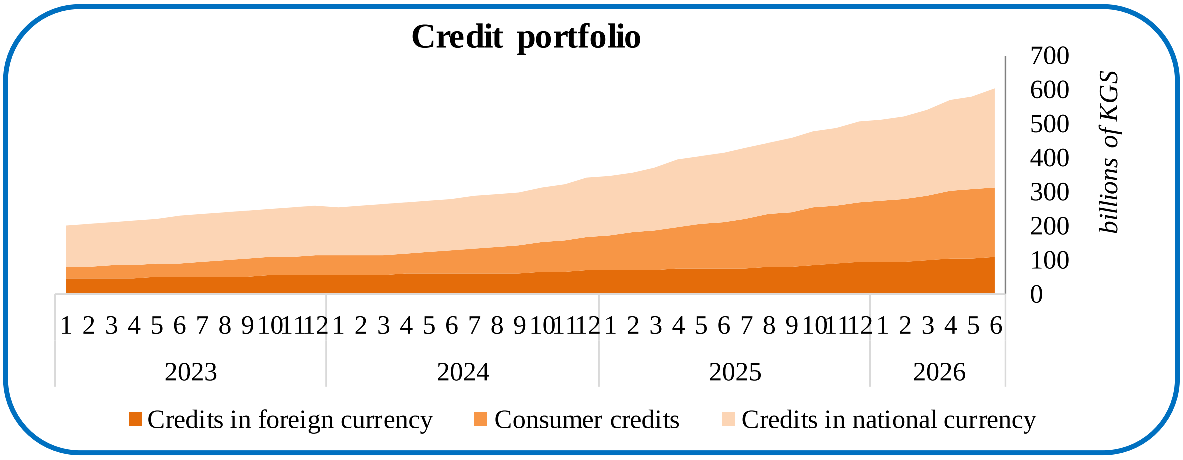
High lending rates in the key sectors, primarily due to credits to the sectors of construction (+ 2.1 times), social services (+ 44.7 percent), communications (+ 34.4 percent) and industry (+ 33.9 percent) provided stable support in demand for credits in the national currency. All other sectors showed positive trends.

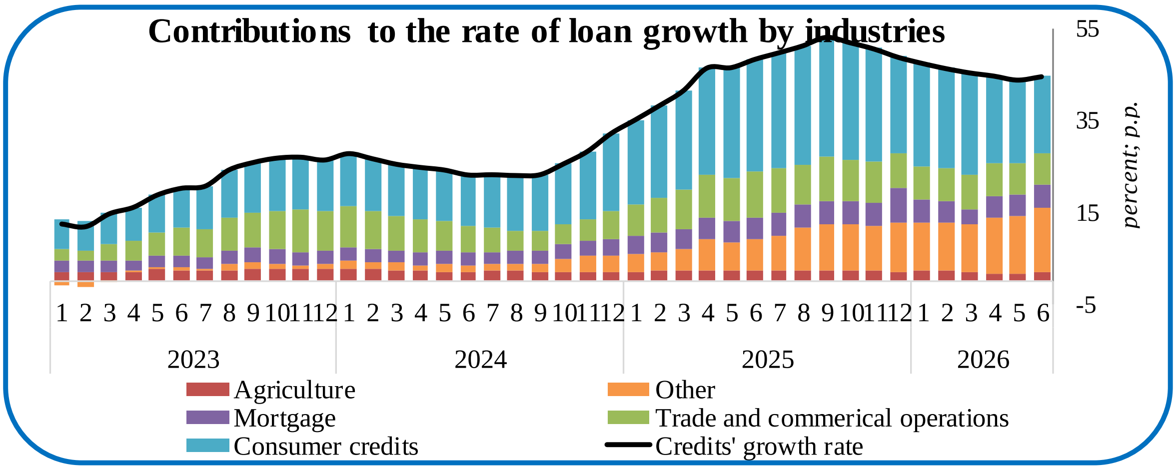
An increase in credits for transport, procurement and processing, construction and consumer needs by 65.6 percent, 45.4 percent, 26.9 percent and 24.1 percent, respectively, made the largest contribution to growth in credits in foreign currency.

In the reporting quarter, dollarization of the economy (adjusted for the accounting exchange rate) demonstrated stable decline. Thus, the dollarization of the credit portfolio amounted to 17.8 percent.

Chart 3.2.9. Trends in the Credit Market

The volume of the credit portfolio at the end of Q2 2026: **602,6 billion soms**	Credits' growth rate since the beginning of the year: **18,9%**	Average weighted interest rate of credits at the end of Q2 2026: **15,90%**	The level of dollarization of the deposit base at the end of Q2 2026: **17,8%**





3.3. Dynamics of Monetary Base and M2X Aggregate

At the end of Q2 2026, the monetary base increased by 10.4 percent compared to the previous quarter and amounted to KGS 370.9 billion (an increase by 15.8 percent in annual term). The National Bank's liabilities to the commercial banks showed slight decrease, with commercial banks' balances in correspondent accounts with the National Bank fell by 3.24 percent.

The monetary base expanded compared to the previous quarter, as well as in annual terms driven by positive growth in currency in circulation. Over the quarter, currency in circulation grew by 13.2 percent (an increase by 15.2 percent in annual terms).

Chats 3.3.1. Structure of Broad Money

(as of the end of period)

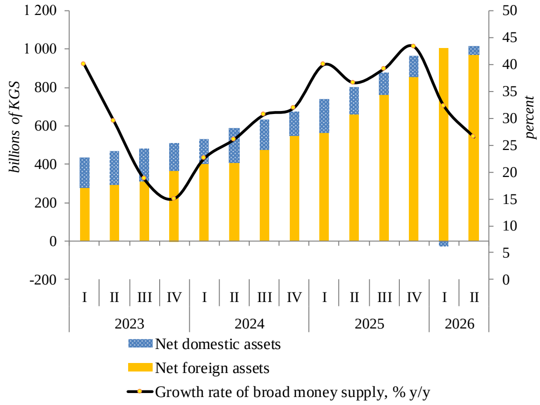
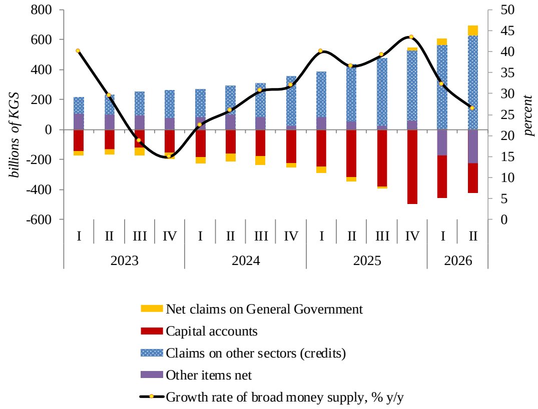


Chart 3.3.2. Dynamics of Net Domestic Assets Structure

(as of the end of period)



At the end of the reporting period, the broad money (M2X) aggregate reached KGS 1,013.7 billion. This indicator represented a 26.4 percent increase year-on-year, while growth by 3.7 percent was moderate compared to Q1 2026.

Traditionally, net foreign assets (NFA) made the main contribution to growth of money supply. However, at the end of Q2 2026, the monetary sector's NFA showed a decline by 3.4 percent, primarily due to a reduction in claims on non-residents (a 2.4 percent reduction). This trend was largely conditioned by a decrease in the National Bank's net international reserves (NIR) resulted from a decline in the share of assets in foreign currency and a decrease in the price for gold. The latter was driven by a negative revaluation amid stable fall in the world prices for gold.

During the reporting period, domestic sector dynamics underwent significant changes, becoming the key driver of money supply expansion in the economy. Monetary sector's net domestic assets (NDA) were formed positive and amounted to KGS 44.1 billion (in Q1 2026 – KGS (-)26.3 billion).

Continued strong credit activity contributed most to the positive trajectory of NDA and liquidity injection into the economy. Claims on other sectors increased by 11.2 percent during the quarter. Other resident sectors (primarily lending to the population) were the main source of new liquidity formation within the structure of this indicator. Claims on these sectors rose by 9.7 percent. Moreover, claims to non-financial corporations demonstrated strong growth by 15.1 percent. Aggregate inflow of credit resources into these two segments supported consumer and investment demand to condition direct growth of deposits within M2X. Claims on other non-financial corporations had a slight restraining effect (a decrease by13.2 percent).

General government accounts provided an additional stimulus to money supply growth. This trend was driven by the simultaneous impact of two factors within the category. On the one hand, gross claims on general government, consisting predominantly of government securities on the monetary sector's balance sheet, increased by 3.8 percent. On the other hand, liabilities to general government, the bulk of which consist of government deposits, decreased by 6.3 percent. This concurrent movement – a slight expansion of the government securities portfolio with the use of government deposits – provided a net inflow of money from the public sector into the economy. Entering the system in the form of social benefits, wages and payments for public procurement, these funds were transformed into cash and deposits held by the customers of the commercial banks, thereby exerting an upward influence on the broad money supply.

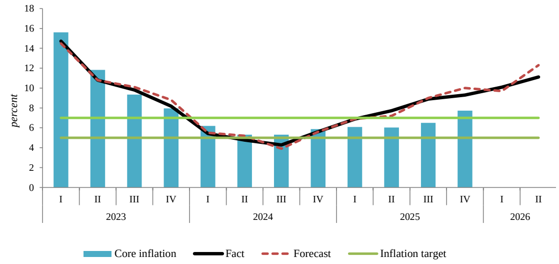
Chapter 4. Inflation Dynamics

4.1. Consumer Price Index

At the end of Q2 2026, the inflation rate in the Kyrgyz Republic constituted 11.1 percent compared to 10.1 percent in Q1 2026 (quarter-on-quarter). In June 2026, the annual inflation rate was 11.0 percent.

Chart 4.1.1. Actual and Forecasted CPI Values

(quarter to the corresponding quarter of the previous year)



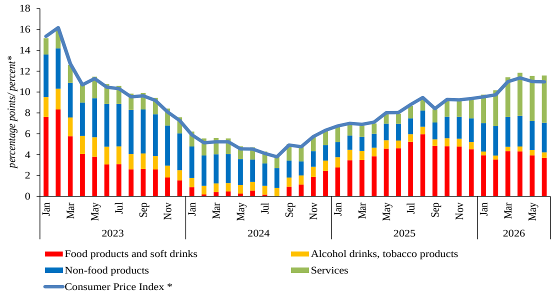
In Q2, inflation dynamics was characterized by persistently high pro-inflation environment conditioned by external and internal factors.

The external sector showed stable price volatility. There was an upward trend in prices of the world food market. Prices in the world and regional energy markets demonstrated stable growth due to heightened geopolitical instability and deepening crisis in the Russian Federation, the main supplier of petroleum products.

State tariff policy, fiscal measures and domestic demand driven by growth in population disposable income, growth of government expenditures and rise in consumer lending influenced internal inflationary environment.

Chart 4.1.2. Dynamics of Inflation, Core Inflation and CPI Structure

(month to the corresponding month of the previous year)



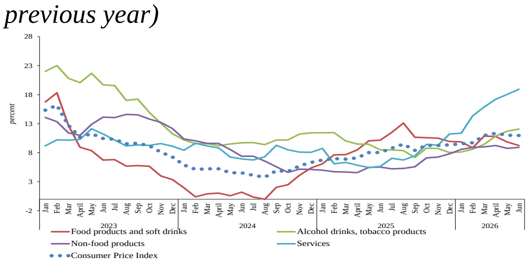
In June, the structure of inflation in annual terms was as follows: prices for food products and soft drinks rose by 9.2 percent, for alcohol drinks and tobacco products – by 12.1 percent, for non-food goods ‑ by 8.9 percent, and for services ‑ by 18.9 percent.

During the quarter under review, there was moderate slowdown in food inflation to contribute 3.7 p.p. to the overall consumer price index (CPI). Rise in prices for meat (the contribution to the annual CPI growth was 2.3 p.p., annual growth – 17.5 percent) was the main component of food inflation. Despite the restrictions imposed on export of agricultural animals, price movement in the meat market demonstrated upward trend. Limited domestic supply (including due to seasonal reduction in livestock sales during the grazing period), as well as stable impact of production costs, including expenditures for feed, transport and animal husbandry, are the main factors of price growth.

Besides it, there was acceleration in growth of prices for other components of the food basket, excluding fruit and vegetables, due to prevailing pro-inflation factors. During the reporting period, there was a slight seasonal decline in prices for fruits and vegetables due to the current market conditions.

Chart 4.1.3. Dynamics of the Main Groups of Consumer Price Index

(month to the corresponding month of the previous year)



Non-food inflation remained elevated (the contribution to the annual CPI growth was 2.8 p.p.). As before, housing and public utility services and energy prices, conditioned by implementation of the state tariff policy and persistently high prices for petroleum, oil and lubricants, were the main sources of pressure in this group.

Inflation in the services sector showed sustainable upward dynamics in prices and made the largest contribution to overall inflation (the contribution to the annual CPI growth was 4.5 p.p.). As before, administrative factors (elimination of service charges and fiscalization of tax procedures) and indirect influence of the food, fuel and energy sectors conditioned price formation.

4.2. Inflation Expectations

In Q2 2026, price expectations of the households based on the World Bank surveys rose significantly, while according to the National Statistical Committee of the Kyrgyz Republic survey, a moderate decline was recorded. Meanwhile, there was slight increase in price expectations of the enterprises. All indicators remained below the actual inflation rate (Chart 4.2.1).

Chart 4.2.1. Actual Inflation Value, Target, Enterprises' and Households' Expectations (According to the Surveys of the NSC KR and the WB)

(month to the corresponding month of the previous year)

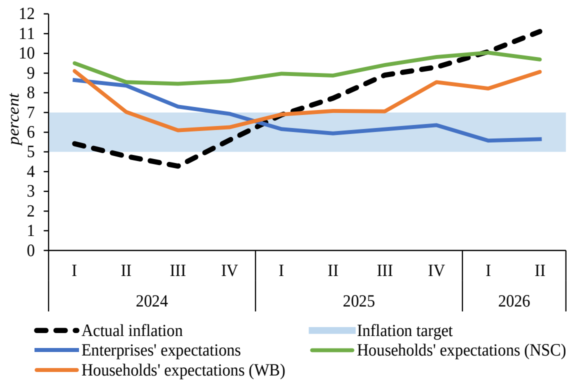


Chart 4.2.2. Distribution of Enterprises' and Households' Answers (According to the Surveys of the NSC KR and the WB)

(shares)

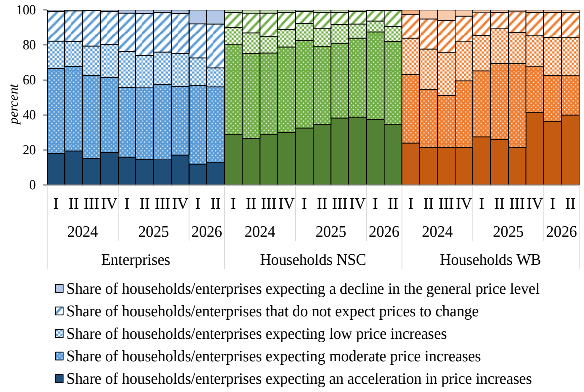


Table 4.2.3. Inflation Expectations of Households and Enterprises of the Kyrgyz Republic[1]

(percent in annual terms)

	2018				2019				2020				2021			
	I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV
Enterprises' expectations [1]	3.7	3.3	2.9	2.5	2.3	1.9	1.9	2.0	2.2	2.7	2.8	3.6	4.5	5.7	7.2	8.7
Households' expectations [1]	3.4	3.0	2.8	2.6	2.4	2.2	2.1	2.2	2.7	3.3	3.0	3.6	4.6	5.4	6.1	6.7
Households' expectations [2]																

	2022				2023				2024				2025				2026	
	I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II
Enterprises' expectations [1]	9.4	10.3	10.9	12.0	9.9	9.7	8.4	8.8	8.6	8.4	7.3	6.9	6.2	5.9	6.1	6.4	5.6	5.7
Households' expectations [1]	8.9	9.7	10.1	10.4	11.1	11.2	11.2	10.6	9.5	8.5	8.5	8.6	9.0	8.9	9.4	9.8	10.0	9,7*
Households' expectations [2]						9.6	11.3	10.5	9.1	7.0	6.1	6.3	6.9	7.1	7.1	8.5	8.2	9.1

[1] - The NBKR's estimates based on data from the NSC have been compiled since early 2018.

[2] - The NBR's estimates based on data from the WB have been compiled since the second quarter of 2023.

* - *preliminary data*

According to the NSC KR survey for Q2 2026, the population's expectations of inflation over the next 12 months fell slightly, down to 9.7 percent (Table 4.2.3). Households' inflation expectations for the coming year were lower than current actual figures (Chart 4.2.1).

In Q2 2026, the study of the World Bank conducted among 1,500 households in the Kyrgyz Republic showed that the population's inflation expectations stood at 9.1 percent. This indicator increased significantly compared to the previous quarter, however it remained below the actual inflation rate. At the same time, the share of respondents expecting acceleration in price growth increased from 36.5 percent up to 40.0 percent compared to Q1 2026.

---

[1] *Note: The National Bank's estimates of inflation expectations among enterprises and households, based on data of the National Statistical Committee of the Kyrgyz Republic, were retrospectively recalculated due to change of the methodology for inflation expectations calculation (sliding adjustment was removed). The historical time series has been finalized in its current form and will not be subject to further changes.*

Inflation expectations of the enterprises remain below the population's expectations. In the reporting period, this indicator rose slightly up to 5.7 percent (+0.1 p.p. compared to Q1 2026) amid acceleration in actual inflation. The share of respondents not expecting change in the general price level increased significantly (from 19.4 percent in Q1 2026 up to 25.1 percent in Q2 2026).

Thus, in the first half of 2026, dynamics of inflation expectations was multidirectional. Nevertheless, persistence of elevated household inflation expectations continues to form pro-inflationary pressure in the economy and keeps them above the medium-term monetary policy target. This indicates the current consumer caution amid accelerating actual inflation, sustains the market's high sensitivity to shocks and could serve as a catalyst for a temporary acceleration of price growth in the coming period.

Chapter 5. Medium-Term Forecast

5.1. Medium-Term Forecast

When developing monetary policy, the National Bank of the Kyrgyz Republic relies on analytical and modeling results and analyses of various economic growth scenarios in the medium term. Forecasting is made taking into account as many shocks and preconditions of the current period as possible, as well as based on expert assessments and forecasts of the world research agencies and institutions.

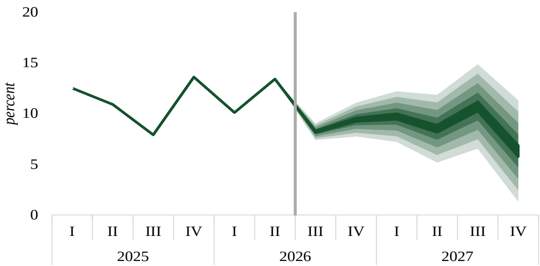
The baseline scenario for the medium-term forecast is formed under the influence of a combination of external economic and internal factors. External economic conditions include ongoing geopolitical uncertainty in the Middle East, moderate economic growth in the countries – main trading partners of the Kyrgyz Republic, and high price volatility in the world commodity markets. Domestic factors of economic development is characterized by slight acceleration in inflation expectations of the population, as well as continued implementation of the government policy measures involving an expansionary fiscal policy and planned increase in tariffs for electricity and housing and public utility services.

The following forecast of the key macroeconomic indicators of the Kyrgyz Republic for 2026-2027 was developed considering the emerging trends in the economic development of the Kyrgyz Republic's trading partners and high price volatility in the world commodity markets.

The National Bank's estimates show that the Kyrgyz Republic's economic growth is expected to remain relatively high 2026.

Chart 5.1.1. Forecast of Real GDP

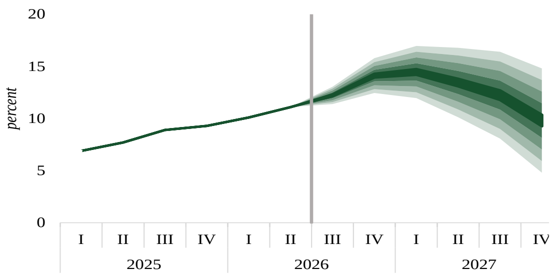
(quarter to the corresponding quarter of the previous year)



In 2026, the National Bank kept unchanged its growth forecasts for the Kyrgyz Republic's economy at approximately 10.0 percent (as previously published in the May round). These forecasts assume sustainable stimulating impact of the state programs on the general economic activity in the country. Construction sector demonstrating significant growth due to large-scale construction of residential buildings by "State Mortgage Company" OJSC and infrastructure facilities, as well as increased activity in the sectors of wholesale and retail trade, and other sectors, will provide the main contribution to growth of forecasted real GDP. At the same time, the Government's ongoing fiscalization makes a significant contribution to the economic growth of the country. The industrial sector, through an increase of production output at the existing enterprises and establishing new ones, as well as expansion of tourism activity within the framework of planned large-scale events (hosting SCO events and the 6th World Nomad Games), will also contribute to formation of a high level of real GDP in 2026. In 2027, positive real GDP growth is expected to be stable at 8.6 percent.

Chart 5.1.2. Inflation Forecast

(quarter to the corresponding quarter of the previous year)



Since the beginning of 2026, inflation dynamics in the Kyrgyz Republic was still formed under the impact of external and internal factors. As before, the external economic environment demonstrates upward uncertainty amid geopolitical tension, volatility in the world commodity markets and persistent risks to the international trade and logistics.

Dynamics of the world energy markets is among the main channels through which external factors influence domestic prices.

Geopolitical tension and rise in energy prices put pressure on prices for petroleum, oil and lubricants, moreover, transport, logistics and production costs may affect the prices for other goods and services. This channel remains one of the most significant sources of external inflationary pressure for the Kyrgyz Republic as a small open economy with high dependence on imports.

At the same time, the situation in the domestic food market during the summer months is developing relatively favorably. Sufficient supply of seasonal fruit and vegetables has restricting effect on price movement, while certain categories of fruit demonstrate seasonal decline in prices. This partly offsets the impact of external pro-inflationary factors and contributes to more moderate price movement in certain commodity groups.

At the same time, there is influence of the world food prices, inflation dynamics in the main trading partner countries, and the impact of the cost of imported goods and logistics services. Changes in the external price environment continue to affect domestic prices, given high economic openness and the significant role of imports in formation of domestic supply.

Among internal factors, tariff policy implementation in the sectors of electricity, housing and public utility services, an increase in public expenditures and wages, and high levels of consumer and investment activity still influence the inflation dynamics. Growth of business costs, including those related to energy resources, transportation and remuneration, exert further influence on the prices for goods and services.

Thus, the current inflation dynamics is primarily formed by non-monetary factors, a significant share of these factors is dependent of external price conditions and geopolitical situation worldwide. At the same time, favorable dynamics of supply of certain food products has certain restraining effect on general price growth.

Taking into account the impact of external factors, the National Bank maintained its forecasts for inflation being expected in 2026. The inflation rate is expected to reach double-digit figures of approximately 15.0 percent by the end of 2026.

Amid ongoing uncertainty, the National Bank will continue to monitor development in external and domestic inflationary factors. Monetary policy will be focused on limiting secondary inflationary effects, ensuring the stability of inflation expectations and creating conditions for gradual return of inflation to the target range in the medium term.

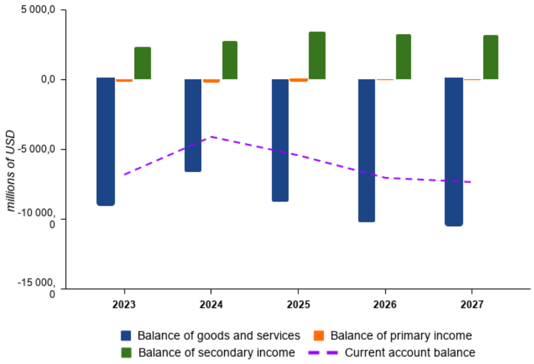
2026-2027 Balance of Payments Forecast[1]

The balance of payments forecast for 2026 is based on historical dynamics and updated macroeconomic indicators, taking into account the development trajectory of the Kyrgyz Republic's main trading partner countries. However, the likelihood of potential exogenous shocks affecting the country's foreign economic indicators remains.

In 2026, the current account deficit is projected to stand at 25.1 percent to GDP. According to the National Bank's estimates, the expected dynamics will be primarily conditioned by an increase in the trade balance deficit and a deterioration in the balance of services. The growth of external purchases of goods will remain stable under the influence of factors taken into account in the previous balance of payments forecast, which will provide further impulse for a rise in import of transport and logistics services. Simultaneously, export of goods will remain moderate and demonstrate a slight growth.

[1] The forecast was made taking into account additional estimates of the National Bank used in the actual period.

Chart 5.1.3. Forecast Data on Current Account



The forecast is based on analysis of global trends and domestic conditions. The calculations account for volatility of world energy and food prices, key macroeconomic indicators of partner countries, and volumes of gold export. The forecast takes into account the impact of current restrictions resulted from the structural shifts in the regional trade and the potential of key drivers of foreign trade, including initiatives of the Cabinet of Ministers of the Kyrgyz Republic aimed at geographical diversification of exports, improvement of administrative and customs procedures, and the state support for small and medium-sized enterprises.

Export figures went up by 4.6 percent compared to 2025 in the updated forecast. Introduction of new digital mechanisms within the EAEU, in particular the System for Confirmation of Anticipated Goods Delivery (SPOT) at the Russian Federation's border, will act as a restraining factor for domestic exports. At the same time, export supplies will be predominantly supported by deliveries of intermediate and consumer goods during the forecast horizon.

At the same time, import volumes will demonstrate growth by 12.0 percent compared to the level of 2025. Traditionally, investment group of goods, energy carriers and food products will have the leading positions in the structure of supplies.

Taking into account actual data for the first half of 2026, the forecast for the secondary income balance was revised slightly downwards.

Net inflows on the item "workers' remittances" are expected to be close to the indicators of 2025 (a decrease by 4.3 percent). This trend is largely conditioned by the high base effect of the last year, as well as changes of economic conditions in the key sectors of migrant employment, initiatives to improve the legal framework governing migration in the recipient countries, as well as emerging favorable working conditions in the Kyrgyz Republic.

Meanwhile, the balance of services will develop with positive balance, which will decrease by 32.2 percent, mainly due to active growth in import of transport services. The balance of services will remain positive due to items "travel" and "other services".

The current account deficit will be partially financed by inflows on the financial account. As before, other investment and foreign direct investment will mainly provide the financial capital inflows.

The forecast parameters for 2026 set the trajectory for external sector indicators for 2027 horizon.

In 2027, the current account deficit will improve slightly and will be formed at 21.4 percent to GDP. Pursuant to the National Bank's estimates, an increase in exports by 7.3 percent, along with a 3.2 percent rise in imports, will keep the trade balance deficit at the level of 2026 (a growth by 2.0 percent).

In the current forecast, optimistic estimates of export growth in 2027 remain amid the following assumptions: improvement of economic conditions in the partner countries; stabilization of trade with the EAEU countries due to adaptation of the foreign trade operations to administrative regulations governing movement of goods, as well as strategic initiatives of the Cabinet of Ministers of the Kyrgyz Republic, including the expansion of the number of export-oriented enterprises, diversification of trade routes and entry into new markets, modernizing the logistics and customs infrastructure. Additionally, introduction of financial support measures (export lending and insurance) and implementation of new export programs are taken into account.

Forecasts for imports have been slightly revised upwards, considering the following factors: active construction cycle in the national economy, long-lasting steady demand for consumer and investment import of goods, the persistence of high domestic demand for energy resources, and the domestic market's high demand for technological equipment, raw materials and supplies necessary to sustain current economic activity and the modernization of production facilities.

A marginal decline in inflows is expected under the item "workers' remittances" (by 2.9 percent compared to 2026) amid expected improvement in business activity in the Russian Federation, as well as gradual adaptation of migrant workers to amendments in migration legislation.

In 2027, the current account deficit is forecasted to be largely covered by other investment attracted by the private sector and foreign direct investment.

The following risks persist in the elaborated forecast of the balance of payments of the Kyrgyz Republic for 2026-2027:

- high degree of geopolitical uncertainty;
- volatility of the world oil and gold prices;
- slowdown in economic growth rates among key trading partners;
- growing debt burden on the private sector.

Annex 1. Key Macroeconomic Indicators

(quarter to the corresponding quarter of the previous year, if otherwise is not indicated)

Indicator	Unit of measure	2023				2024				2025				2026	
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
1. Demand and suppply[1] *(real growth rates, if otherwise is not indicated)*															
Nominal GDP, per quarter	*mln. KGS*	231 249,5	292 877,7	375 903,3	433 699,5	278 599,5	335 485,5	446 484,1	522 222,7	348 775,3	409 495,5	542 038,7	676 079,9	428 576,9	531 435,6
GDP	*%*	8,1	4,9	7,4	13,7	13,1	10,7	11,3	11,5	12,6	10,2	7,9	13,6	10,1	13,4
Domestic consumption	*%*	17,6	38,3	5,0	9,5	4,8	1,4	13,0	21,7	19,8	20,3	22,2	20,5	19,5	
Investment	*%*	60,0	-22,5	31,2	45,4	98,9	27,2	-78,8	-74,0	-41,6	8,2	133,3	324,6	8,2	
Net export	*%*	130,6	95,8	71,0	59,2	50,4	-9,2	-48,3	-73,8	-34,4	24,2	75,4	360,4	20,1	
GDP production:															
Agriculture	*%*	5,9	-1,2	-1,2	3,4	2,2	9,1	7,3	3,5	1,8	2,0	2,3	2,2	2,8	5,2
Industry	*%*	10,7	-5,4	2,4	10,7	8,2	2,0	13,2	12,3	15,0	10,1	6,9	11,6	13,4	12,1
Construction	*%*	2,2	16,4	19,2	30,5	51,1	38,3	25,8	24,2	60,4	18,3	16,3	17,7	29,6	98,5
Services	*%*	3,0	3,5	4,0	7,1	5,7	3,0	5,6	7,4	5,4	7,1	6,2	5,5	5,1	4,8
including trade	*%*	4,5	6,1	7,9	11,4	12,5	11,3	11,0	6,4	9,1	10,4	9,4	13,5	7,7	4,6
2. Prices[2]															
CPI	*%*	114,7	110,8	109,8	108,2	105,4	104,8	104,3	105,6	106,9	107,7	108,9	109,3	110,1	111,1
CPI, in annual terms as of the end of period	*%*	112,7	110,5	109,6	107,3	105,2	104,5	104,9	106,3	106,9	108,0	108,4	109,4	111,0	111,0
Core inflation	*%*	115,6	111,8	109,3	108,0	106,2	105,3	105,3	105,9	106,1	106,0	106,5	107,7		
CPI by main groups of goods and services:	*%*														
Food products	*%*	115,9	108,0	106,1	104,3	101,1	101,0	100,8	104,0	107,1	109,6	111,8	110,3	109,9	110,0
Non-food products	*%*	121,9	120,5	117,9	113,1	109,8	109,5	109,8	111,0	111,0	109,2	105,4	107,4	108,8	111,6
Alcohol drinks and tobacco products	*%*	112,9	112,7	114,4	113,1	110,0	108,5	106,5	105,0	104,8	105,2	108,0	108,5	108,7	109,0
Services	*%*	109,9	111,2	109,6	109,3	109,1	107,7	107,8	108,2	107,0	105,7	107,1	110,0	113,9	118,1
CPI, classified by character:															
Excisable goods	*%*	117,9	116,0	114,9	111,9	109,8	110,3	109,9	110,0	109,8	108,1	107,5	108,9	108,6	111,3
Regulated prices	*%*	103,1	108,1	112,1	113,8	116,9	114,8	113,3	112,7	109,1	109,7	111,9	112,3	113,7	113,7
Market inflation rate (the rest of CPI)	*%*	114,5	114,1	113,4	111,6	108,2	106,5	105,5	104,9	105,1	104,6	104,8	107,4	110,1	112,4
3. External sector[3] *(in percent to GDP)*															
Trade balance	*% to GDP*	-56,9	-58,2	-55,1	-54,7	-58,1	-56,7	-47,0	-35,8	-32,1	-32,8	-34,1	-40,9	-39,6	-39,5
Current transaction account	*% to GDP*	-42,3	-44,6	-44,7	-45,0	-49,3	-46,7	-34,9	-22,5	-16,7	-17,1	-16,8	-24,0	-23,8	-24,9
Export of gods and services	*% to GDP*	31,1	32,4	34,5	36,4	37,1	39,2	43,6	46,3	44,4	40,8	37,4	28,2	27,2	25,8
Import of goods and services	*% to GDP*	88,5	92,4	92,6	95,4	100,3	99,5	92,5	82,8	75,6	72,9	69,2	66,9	65,0	63,5
4. USD exchange rate, as of the end of period	*KGS*	87,4200	87,2267	88,7100	89,0853	89,4708	86,4454	84,2000	87,0000	86,4000	87,3940	87,4019	87,4177	87,4500	87,4500
5. Monetary sector *(real growth rates, if otherwise is not indicated)*															
NBKR policy rate, as of the end of period	*%*	13,00	13,00	13,00	13,00	13,00	9,00	9,00	9,00	9,00	9,00	9,25	11,00	12,00	12,00
Rate of "overnight" deposit, as of the end of period	*%*	10,00	11,00	11,00	11,00	11,00	5,00	4,00	4,00	4,00	4,00	4,00	5,00	6,00	10,00
Rate of "overnight" credit, as of the end of period	*%*	15,00	15,00	15,00	15,00	15,00	11,00	11,00	11,00	11,00	11,00	11,25	13,00	14,00	14,00
Average interest rates of operations in the interbank credit market, per quarter	*%*	10,52	11,29	11,64	12,11	11,71	9,12	5,22	4,07	4,08	4,13	4,31	5,04	5,71	7,55
of which:															
of REPO transactions	*%*	10,52	11,29	11,64	12,11	11,71	9,12	5,22	4,07	4,08	4,13	4,31	5,04	5,71	7,55
of credits in national currency	*%*	-	-	-	-	-	-	-	-	-	-	-	-	-	-
of credits in foreign currency	*%*	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Weighted average yield of 7-day notes, as of the end of period	*%*	10,35	11,57	11,86	11,95	11,95	5,91	3,44	3,43	3,43	3,43	3,44	4,21	5,01	7,22
Weighted average yield of 14-day notes, as of the end of period	*%*	11,27	11,82	12,01	12,01	-	-	-	-	-	-	-	-	-	-
Weighted average yield of 28-day notes, as of the end of period	*%*	12,37	12,16	12,11	12,08	12,09	5,14	3,59	-	-	-	-	-	-	-
Weighted average yield of 91-day notes, as of the end of period	*%*	13,52	13,98	13,88	13,78	13,96	11,22	-	-	-	4,50	4,36	4,98	6,58	8,83
Weighted average yield of 182-day notes, as of the end of period	*%*	-	14,67	14,79	14,90	14,74	12,13	-	-	-	-	5,70	6,33	7,40	9,33
Monetary base	*%*	38,8	22,5	10,8	9,9	13,7	19,1	19,2	17,5	17,7	19,6	24,7	29,7	17,1	15,8
Money outside banks (M0)	*%*	32,5	16,0	4,0	1,3	7,8	12,7	19,1	15,2	20,7	25,8	24,7	26,6	16,8	14,3
Monetary aggregate (M1)	*%*	41,2	22,7	16,4	10,2	19,0	27,8	28,2	30,9	50,9	38,1	47,6	47,8	32,0	26,0
Narrow money supply (M2)	*%*	36,5	21,6	16,2	11,4	20,3	27,7	28,6	31,0	47,8	43,9	50,5	54,0	39,4	35,8
Money supply (M2X)	*%*	40,0	29,4	18,7	15,0	22,4	26,0	30,6	31,9	39,9	36,6	39,1	43,3	32,3	26,4

1/ Estimates of the National Bank of the Kyrgyz Republic on the basis of the data provided by the National Statistics Committee of the Kyrgyz Republic

2/ Source: National Statistics Committee of the Kyrgyz Republic

3/ Coefficients were calculated on the basis of the sliding annual data for the last 4 quarters. Data for Q2 2026 are preliminary

Annex 2. Glossary

Balance of payments is a report, which reflects aggregate economic transactions between the residents and non-residents within a certain period of time.

BIR (Bishkek Interbank Rate) is a market interest rate that serves as an indicator of the cost of money in the short-term segment of the interbank market in the country.

Consumer price index reflects changes in the prices for goods and services purchased by the standard consumers for non-production purposes. This index is among inflation rate measures, which is based on comparing the value of basic goods basket consumed by the population and weighted in accordance with the share of these goods in the aggregate consumption.

Core inflation is inflation, which excludes short-term, structural and seasonal changes of prices: the growth in prices of goods due to the seasonal, the external factors and the administratively established tariffs is excluded from the calculation of the inflation rate.

Deposits included in M2X are the deposits of the individuals and legal entities, as well as the deposits of other financial-credit institutions, however, the deposits of the state administration bodies and non-residents are excluded.

Dollarization is extensive use of the US dollars in the domestic currency circulation of the country, which possess own national currency.

Inflation is the upward trend in the general level of prices within the certain period, which is determined based on the value calculation for the basket of goods and services weighted by the structure of consumer expenses of the standard household. The consumer price index is an indicator, which characterizes the inflation rate in the Kyrgyz Republic

Monetary aggregate is the money supply classified according to degrees of liquidity: M0; M1; M2; M2X.
M0 – cash in hands.
M1 – M0 + residents' transferable deposits in the national currency.
M2 – M1 + residents' time deposits in the national currency.
M2X – M2 + settlement (current) accounts and residents' deposits in foreign currency.

Monetary base is the obligations of the National Bank on cash in circulation, and the obligations of the National Bank to other depository corporations in the national currency.

Net balance of payments is a difference between receipts from the foreign countries and payments transferred to the foreign countries.

Net balance of trade is a difference between the cost of export and import.

Notes are the discount securities, issued in circulation by the National Bank of the Kyrgyz Republic. By decision of the Monetary Regulation Committee of the National Bank, the notes can be issued for the period from 7 to 364 days. The notes maximum profitability is set to be equal to the policy rate as of the auction day.

Other depositary corporations are all resident financial corporations, except for the central bank, which main activities are aimed at financial intermediation and which issue obligations included into the national definition of the broad money stock (M2X).

Policy rate is a monetary policy tool, which represents an interest rate set by the central bank and is used as the basic reference point when determining the value of monetary resources in the economy.

REPO operations are the operations on purchase/sale of the government securities in the secondary market with an obligation of their resale/repurchase on a certain date in the future at the pre-agreed price.

State Treasury Bills are the short-term (3-, 6-, 12-month) discount government securities issued by the Ministry of Finance of the Kyrgyz Republic. Placing issues of the ST-Bills is made through weekly auctions conducted by the National Bank of the Kyrgyz Republic. Direct participants enjoy the right to participate in the auctions. The owners of the ST-Bills of the Kyrgyz Republic can be both the legal entities and the individuals. The admission of the foreign investors to the market of the ST-Bills is not limited. The transactions in the secondary market of the ST-Bills are conducted through the electronic trading system of the National Bank of the Kyrgyz Republic, which allows the participants to conduct transactions on purchase/sale of the ST-Bills from their workplaces.

State Treasury Bonds are the long-term government securities with the interest income (coupon) and maturity over one year issued by the Ministry of Finance of the Kyrgyz Republic. The National Bank of the Kyrgyz Republic is the general agent servicing the issues of the ST-Bonds.

Annex 3. Abbreviations

BIR	Interbank Reference Interest Rate of the Kyrgyz Republic (Bishkek Interbank Rate)
CB	Commercial Banks
CBRA	Central Bank of the Republic of Armenia
CBRU	Central Bank of the Republic of Uzbekistan
CJSC	Closed Joint Stock Company
CPI	Consumer Price Index
CT MF KR	Central Treasury of the Ministry of Finance of the Kyrgyz Republic
EAEU	Eurasian Economic Union
ECB	European Central Bank
EDB	Eurasian Development Bank
FAO	Food and Agriculture Organization of the United Nations
FOB	Cost at the Exporter’s Border (Free on Board)
FRS	US Federal Reserve System
GDP	Gross Domestic Product
GS	Government Securities
HPUI	Housing and Public Utility Infrastructure
HPUS	Housing and Public Utility Services
IA	Information Agency
IBCM	Interbank Credit Market
IMF	International Monetary Fund
KR	Kyrgyz Republic
KSE CJSC	Kyrgyz Stock Exchange CJSC
MFKR	Ministry of Finance of the Kyrgyz Republic
MP	Monetary Policy
MRR	Mandatory Reserve Requirements
National Bank	National Bank of the Kyrgyz Republic
NBRK	National Bank of the Republic of Kazakhstan
NBT	National Bank of Tajikistan
NSC KR	National Statistical Committee of the Kyrgyz Republic
NFA	Net Foreign Assets
NDA	Net Domestic Assets
OJSC	Open Joint-Stock Company
OPEC +	Organization for Petroleum Exporting Countries
OR	Oil Refinery
PBC	People’s Bank of China
POL	Petroleum, oil, lubricants
RF	Russian Federation
RSI	relative strength index
ST-Bill	State Treasury Bill
ST-Bond	State Treasury Bond
USA	United States of America
VAT	Value Added Tax
WB	World Bank